

# BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

AUGUST 1954

Explaining  
Banks to  
the Public

(page 34)

We Could Eat  
That Surplus!

(page 39)

Using Numbers  
Instead of  
Names for  
Depositors

(page 48)

Storage:

\$700,000 a Day

(pages 3 and 39)





You can't tell the bad egg by its shell

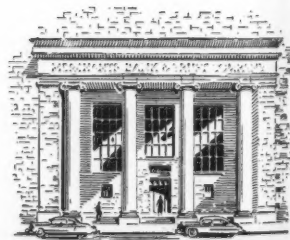


Appearances are deceptive — and not only with eggs. As many bankers have learned at disastrous cost, it is often the most innocent-looking employee who turns out to be an embezzler.

Stringent internal controls and complete, systematic audits can reduce the risk, but *the fact is* that embezzlements, instead of becoming fewer, are increasing in frequency — and the sums embezzled are becoming larger.

The *only* way to *guarantee* your bank against financial loss from embezzlement is to carry *adequate, well-planned dishonesty insurance*.

The Aetna Casualty and Surety Company offers you the services of its staff of banking insurance experts — who will analyze your bank's needs and suggest the types and amounts of coverage you require. Before *you* suffer a disastrous financial loss from embezzlement, call your local Aetna representative.



## AETNA CASUALTY AND SURETY COMPANY

*The Aetna Life Affiliated Companies write practically every form of insurance and bonding protection*

LIFE AND CASUALTY

Aetna Life Insurance Company

Aetna Casualty and Surety Company

FIRE AND MARINE

Automobile Insurance Company

Standard Fire Insurance Company

Hartford 15, Connecticut



# BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

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**W**ords can't begin to spell out *all* the advantages of a checking account. Paying bills by check is so simple, safe and convenient that it has become the almost universally accepted method. *You* can give *your* customers yet another advantage—the feeling of prestige that goes with checks lithographed on La Monte Safety Paper. The quality of these fine papers pleases your customers and also impresses those to whom your customers' checks are directed. Your lithographer can show you samples of La Monte Safety Paper . . . or we will gladly send them direct.



#### *A Check Paper All Your Own*

*Thousands of banks and many of the larger corporations use La Monte Safety Papers with their own trade-mark or design made in the paper itself. Such INDIVIDUALIZED check paper provides maximum protection against both alteration and counterfeiting—makes identification positive.*

THE WAVY LINES ® ARE  
A LA MONTE TRADE-MARK





# Just a Minute

## August

THIS month finds working people sharply divided. On the one hand is the "Ho-hum-why-did-I-take-my-vacation-so-early?" crowd, now settled back into the old routine. On the other is the "So-long-see-you-after-Labor-Day" contingent which, departing in a cloud of good spirits, leaves the earlier birds with their memories, sunburns, and snapshots.

There is, of course, still another group, the "I'm-saving-mine-until-Fall" set, those patient, anticipatory souls who postpone their pleasures as long as possible. By the time they leave, the rest of us are also looking forward—to next year's vacation.

August has comparatively little to offer, Day-wise. It begins well,

for Friendship Day is the 1st. The 14th is V-J Day, World War II Memorial Day, and Atlantic Charter Day—which is doing rather well for one 24-hour period.

Cherry Pie Time, certainly a moment for celebration, is down for the 15th. On the 16th Vermonters celebrate Bennington Battle Day, and on the 19th we're due for National Aviation Day. The 30th is Huey P. Long's birthday, a legal holiday in Louisiana.

## An Honor for BANKING

"THE BANKING STORY," a brochure prepared by this magazine's advertising department, received an honorable mention certificate in a National Industrial Advertisers Association competition for the "most useful and valuable sales presenta-



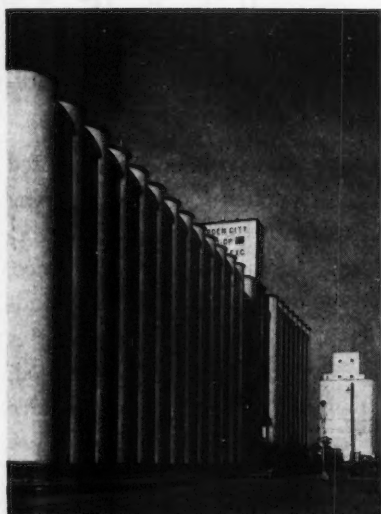
"What do you mean, 'what's playin', ma'am?'"

tions based on the NIAA outline."

The awards are designed to "encourage publishers to make available top-notch sales presentations with data in a standard sequence."

## How to Sell Teenagers

EACH year the Phoenix Advertising Club sponsors an essay contest (CONTINUED ON PAGE 5)



## THIS MONTH'S COVER

The billions of bushels, bales and pounds of Government-owned surplus commodities are stored all over the United States in permanent, temporary, and make-shift storage facilities. On our cover is shown one of the largest grain elevators in the state of Kansas—at Garden City—with a capacity of 1,300,000 bushels. Some of the inconsistencies and fallacies of our surplus commodity program are discussed by Secretary of Agriculture Benson on page 39

# BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

## The Staff

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# Fortune-telling scales won't help your sales!



GETTING your weight and fate is a purely personal affair. And, while you may disagree with the future it forecasts, the card will tell you if you're putting on pounds. It's not unlike today's business forecasts. They may vary, but all records show that competition is getting heavier as industry continues to pour more products into the market.

Selling industrial products in a market where goods are plentiful and buyers selective . . . and under conditions where it is becoming increasingly harder to locate and sell all the men who have a voice in buying decisions . . . calls for careful market planning and hard selling.

Remember, unless a company's product is recognized and accepted, it has no market . . .

without a market there can be no sales . . . without sales there can be no profits.

Consistent, well-directed and properly executed business magazine advertising can be a strong and effective influence in building product recognition, breaking down buying resistance, expanding and developing markets. Such advertising performs these marketing steps faster and at far lower cost than any other method, and makes the salesman's time more productive by giving him more time to sell.

**THAT'S WHY WE SUGGEST:** *If you have a financial interest or responsibility in a company, you will want to encourage the company's management in the adequate use of Business Publication Advertising to build and protect its markets.*

McGRAW-HILL PUBLISHING CO., Inc.



330 WEST 42nd STREET, NEW YORK 36, N. Y.



HEADQUARTERS FOR BUSINESS INFORMATION

(CONTINUED FROM PAGE 3)

for high school pupils. The 1954 winner was SALLY ESLER whose piece, "How Can Advertising Best Sell the Teenager?" was published statewide as an ad of the First National Bank of Arizona.

"It seemed to me," says Vice-president GEORGE V. CHRISTIE, "that there was enough good sense packed into this essay to make it good reading for a lot of adults and to help them establish a more correct viewpoint toward teenage youngsters."

SALLY started by saying that some advertisers, in an effort to attract teenagers, make serious blunders. "They talk down to teenagers and do not give them credit for the knowledge they possess. The first thing that advertisers must realize if they seek teenage customers is that most young people are normal, sensible persons, and they prefer to be treated as such. They don't all have complexes or drastic emotional disturbances. . . . They are extremely susceptible to advertising. But they are under no obligation to accept advertising and are exercising a free power of choice when they do consider it."

Here are some of SALLY's suggestions:

"Advertising should assure the teenager that its product will help him towards his goals. . . . Teenagers want their full money's worth, but are suspiciously on guard to avoid something that, in their eyes, looks 'cheap.' . . . Advertisers must answer the teenager's question: What good will this product be to me, and why? . . . Teenagers are quick to 'smell a rat' and will disregard completely anything connected with a trick. . . . Teenagers want bargains, but they also want a relatively consistent price level so that they can plan their expenditures. . . . The advertiser must try to put himself in the position of his potential customers and try to tell them truthfully what they want to know about his product."

#### The Case of the Careful Sailor

C. H. POPE, president of the Munsey Trust Company in Washington, D. C., got a start the other day when a guard brought to his desk a box that had been found on a counter. It contained eye glasses in their case and a man's-size revolver.

While Mr. POPE was instructing the guard to tell the police, a young sailor walked up to claim his prop-

July 3 was M-Day in Houston, Texas—the day the city reached the million mark in population. The First National Bank in Houston helped celebrate by setting in its lobby a revolving model of a "million dollar gold piece" which reproduced exactly the dimensions such a coin would have. With gold at \$35 an ounce, it would be 40 inches in diameter, three inches thick, and would weigh 1,786 pounds. And, of course, there'd be a dollar for each Houstonian



## PUBLIC NATIONAL Close-Contact CORRESPONDENT BANKING

"Provides Intimate Service  
for Banks All Over America"

### CREDIT INFORMATION

Your requests for credit information receive thorough and prompt handling. In preparing our reports, experienced Officers give careful consideration to the source and contents of the information obtained.

## The Public National BANK AND TRUST COMPANY of New York

Main Office: 37 Broad Street  
New York 15, N. Y.

Member New York Clearing House Association  
Federal Deposit Insurance Corporation

## To get the true financial picture

- Original cost is past tense — Replacement cost is present tense. Property records established and maintained by American Appraisal Service provide control on both bases.

## The AMERICAN APPRAISAL Company



Over Fifty Years of Service  
OFFICES IN PRINCIPAL CITIES





Each finger falls into natural working position on keyboard (right or left hand) so time-wasting decisions in key selection are eliminated. To discover this...

*just put your hand on it*

Don't mistake this new Friden adding machine for an improved model of a conventional machine.

Here is the *first* adding machine made to fit and pace the human hand...the *first* American 10-key adding machine to show you **ACTUAL ITEMS** before they are printed on tape!

Friden engineers were unhampered by existing dies or parts inventories. They started literally "from scratch" to design the ideal adding machine. Ask your nearby Friden Man to bring in one of these machines. Friden sales, instruction and service available throughout the U.S. and the world. FRIDEN CALCULATING MACHINE CO., INC., San Leandro, California.

In this  
Check Window



above keys, you see the actual items you enter on keyboard before they are printed on tape.

This new first-time feature on an American 10-key machine simplifies changes and corrections

• • •

**Clear Signal** prints automatically on tape with first item following a total • **Totals and Sub-totals** obtained instantly by depressing bars—no space strokes required

• **True credit balance** printed without extra motor operations or pre-setting • **Over-size control keys**, each plainly labeled, give direct "live" response • Many other Friden convenience features

A PRODUCT OF

**Friden**

...CREATOR OF THE FRIDEN

FULLY AUTOMATIC CALCULATOR

THE THINKING MACHINE OF AMERICAN BUSINESS

erty. He explained that he was on his way to the target practice range maintained by the Secret Service under the lawn of the Treasury Building, and hadn't wanted to go up to the bank window with even a concealed gun under his arm. So he had set the box on a glass counter by the wall while attending to his financial business.

### What Makes the A.I.B. Tick

ANY American Institute of Banking instructor can tell you stories that reflect his students' eagerness to learn, their persistence, and their accomplishments under difficult circumstances.

BANKING heard some of these tales recently. For instance—a middle-aged man who'd taken a course given by a large eastern chapter of the A.I.B. wrote at the end of his final examination paper:

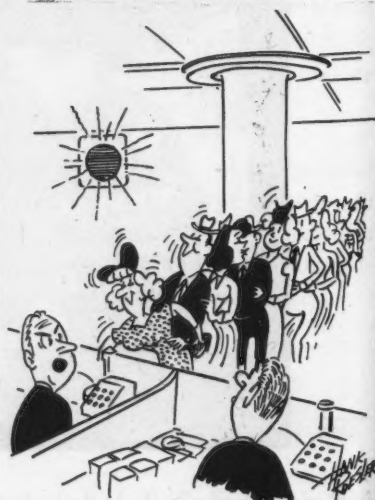
"I have done my best. I hope to get a good mark, but I'd like to tell you that there is something wrong with my bifocals; the lighting in this room is very poor; it is most difficult for me to try to write on an improvised desk; I didn't have a very good supper; and last but not least, I think I'm too darn old to learn."

He'd written a very good paper, so his hope was realized. But, as the instructor remarked later, even if he hadn't turned in a creditable exam, you just couldn't flunk a guy like that.

And then there was the young mother with three kids to support.

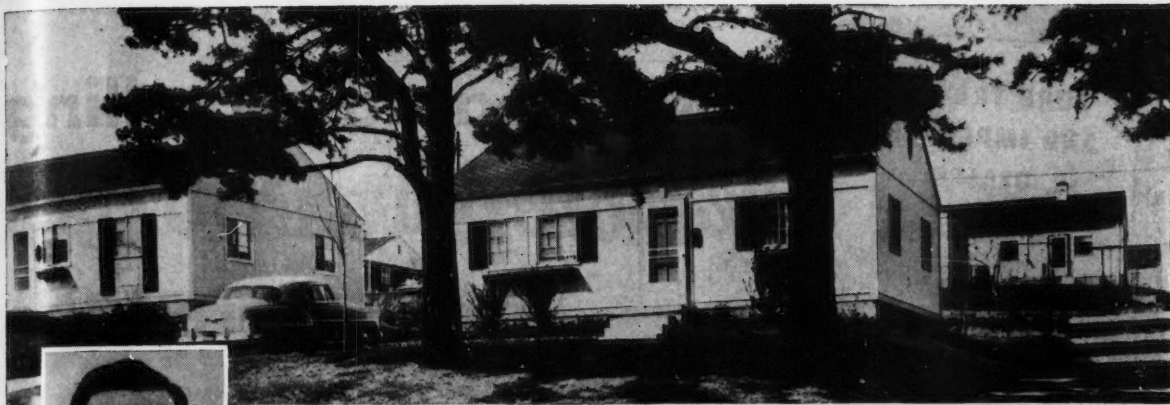
(CONTINUED ON PAGE 11)

"Who put that Samba record on again?"



BANKING

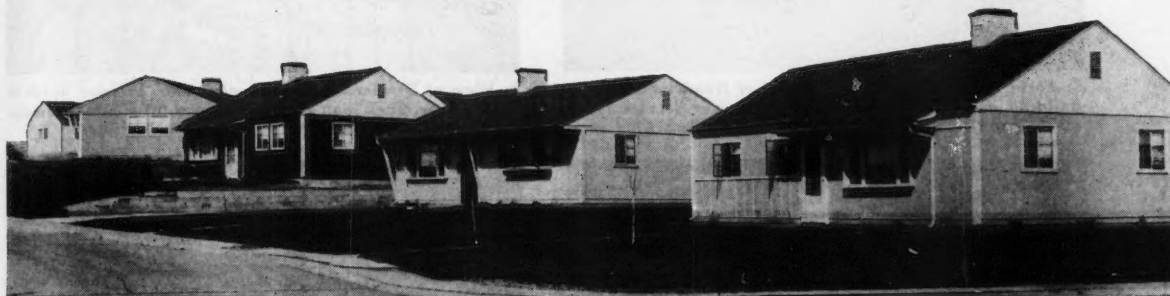




"NINETY PER CENT of our homes are built on slab foundations. With efficient perimeter heating, we find that a basement is not a strong selling advantage."

## "Satisfied owners of Gunnison Homes sell 8 of every 10 homes we build,"

*says John R. Maenner, General Manager, Maenner-Built, Inc., Omaha, Nebraska*



JOHN MAENNER told us: "Most of our sales are the result of word-of-mouth advertising. We ran a survey recently and found that out of every 10 homes we sell 8 are pre-sold by satisfied owners who tell their friends about Gunnison Homes. That, in my opinion, is a fine tribute to the excellent product we have here.

"My father, who is an architect, decided after the war to start building prefabricated homes. He investigated several of the major manufacturers and finally decided that Gunnison Homes

offered the most on the basis of architectural design, floor layout, and ease of construction."

This United States Steel Homes Dealer has built and sold 504 Gunnison Homes; plans to build another 150 in 1954. Prices range from \$9,700 to \$11,600—average about \$10,500. Attractive financing has been obtained on all homes.

Every United States Steel Homes Dealer is a successful local builder who is thoroughly investigated and proven competent before he is granted a fran-

chise. You can depend on his developments being intelligently planned and his homes being well built. Write for complete information.

### HOW THEY DID IT

1. Offer an excellent product—Gunnison Homes—on terms that most people can afford.
2. Adapt operation to local market conditions. Demand is high in fast-growing Omaha for attractive modern homes selling from \$9,700 to \$11,600.
3. Keep close control of costs; maintain own erection and sales organization.
4. Plan every development well in advance. Allow time to develop land, set up construction and sales programs.
5. Obtain financing before construction begins. Variety of Gunnison designs (all accepted by VA and FHA), excellent sales appeal, and quality construction make these homes attractive investments.
6. Advertise in classified section of local newspapers and on TV. Tie in with national advertising of Gunnison Homes and make good use of free ad mats supplied by United States Steel Homes.

"Gunnison"—trade-mark of United States Steel Homes, Inc.

## United States Steel Homes, Inc.



GENERAL OFFICES: NEW ALBANY, INDIANA

DISTRICT OFFICES: Atlanta, Ga. • Chicago, Ill. • Columbus, Ohio • Dallas, Texas  
 Harrisburg, Pa. • Louisville, Ky. • Newark, N. J. • Omaha, Neb.

SUBSIDIARY OF UNITED STATES STEEL CORPORATION

August 1954

**FORD TRACTOR  
AND IMPLEMENT  
DEALER  
SUCCESS  
STORIES**

# "It's great to be selling The Most Advanced Line ever offered the



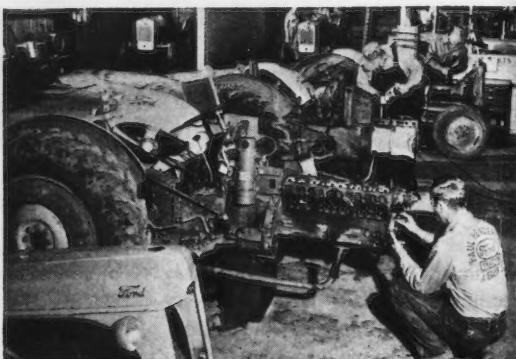
● Early morning check-up in front of Henderson Tractor building, as Ernie Wollen starts third Owner-Service Truck on its way (the other two are already out at work).



● View of Henderson Tractor sales floor. Interior finish is knotty pine. Tack map showing owners (at right) is always on display and up-to-date.



● Front view of Parts and Accessories display counter as Parts Manager sells a swinging drawbar to customer.



● General view of Henderson Tractor Service Shop, which is headquarters of a full-time 5-man shop and field service operation.



## A profitable business for the right man...

Paul Henderson's success as a Ford Tractor Dealer is typical of the many thousands of aggressive dealers associated with the Ford Motor Company.

And right now, there is room for more "Paul Hendersons" with this fast growing organization.

Perhaps you know a man who has the qualifications for managing a successful farm machinery dealership—a deserving individual looking for the right opportunity. You can help launch this man into a successful future by suggesting he get in touch with the General Sales Manager, Tractor and Implement Division, Ford Motor Company, 2510 East Maple Road, Birmingham, Michigan.

# of Farm Equipment American Farmer"

says

*Paul Henderson*

Owner,

Paul Henderson Tractor & Equipment Company  
Beatrice, Nebraska



And when Paul Henderson makes a statement like that, he should know. He sold his first Ford-built tractor—a Fordson—34 years ago, and he's been doing a profitable business with farmers in the area surrounding Beatrice, Nebraska, ever since.

## "Try It Before You Buy It"

"In those early days," says Henderson, "you had to sell a farmer on power farming—show him how he could do his work better and cheaper with a tractor than he could with horses. It was the Fordson Tractor that proved to him it could be done."

Conditions nowadays are vastly different, but Henderson Tractor & Equipment Company still finds that it pays to sell farmers on the basis of "Try it before you buy it," and to back up their sales with top notch service.

## A Successful Past—A Promising Future

Mr. Henderson talks about the present and the future with contagious optimism. "With today's Ford Tractor and Dearborn Implements," he says, "we have what I regard as the most advanced line of power equipment ever offered the American farmer. I wouldn't trade the sales and profit opportunities I can see today for those of any other farm equipment line in the industry. And what we've done in the past in the way of service to farmers shouldn't hold a candle to what we'll be able to do in the future."

What Henderson Tractor has done in the past is considerable. Out in southeastern Nebraska, they'll tell you that this company is one of the very best in the farm equipment business. And when Paul Henderson can look ahead with the confidence and enthusiasm he shows today, it's pretty good evidence that a Ford Tractor dealership is a good one on which to build a good business over the years.



• Frequent get-togethers between Owner Henderson and Manager Wollen (left) contribute to successful operation of the business.



**TRACTOR AND IMPLEMENT DIVISION**  
**FORD MOTOR COMPANY**  
Birmingham, Michigan





## You Can't Stop the Man with an Idea . . .

**T**HIS National Gypsum scientist is working in one of America's most modern research laboratories. But he's carrying on a tradition that began in a kitchen sink. That was in 1926, when three men had an idea for making a gypsum wallboard that would be much lighter and stronger than anything on the market.

Since then, National Gypsum's story has been a story of *ideas*... and the company's success is the success that comes from reliance on creative imagination. It's a formula that has been proved secure against price wars... world wars... depressions and recessions.

What's the idea that's keeping this scientist



in National Gypsum's new research laboratory long after closing time?

It's the Gold Bond idea... products equal to or *better* than the best, at no higher price! Right now, you can lath and plaster... insulate... sheathe... sound-condition... paint... side and roof... with the famous Gold Bond Line of over 200 products. And we're continuing to expand by developing more products and entering new fields.

In its 28 years, the Gold Bond Line has grown from one product to its present scope... and National Gypsum's sales have mounted yearly, totaling today over \$116,000,000.

*You can't stop the man with an idea.*

### Gold Bond

fastest growing name  
in the building industry

**NATIONAL GYPSUM COMPANY • BUFFALO 2, NEW YORK**

P. S. Would you like to have a copy of our 1953 Stockholders Report, recently published? Write Melvin H. Baker, Chairman of the Board, National Gypsum Company, Buffalo 2, N. Y.



(CONTINUED FROM PAGE 6)

She parked them with a baby-sitter, attended classes, and made an excellent record in studies and attendance.

One student—a grandmother—took Institute work under a tremendous handicap, her husband's fatal illness. She wanted to stay home, of course, but he said No, she'd started the course and should finish it. She did, creditably.

Somehow, these little stories show, much better than could a long article, what makes the Institute tick!

### Library Service to Business

If you want to know where to buy breeding stock to start an earthworm nursery, or if you're in the market for a thousand four-leaf clovers, ask the Business Library of Newark, N. J.

Or if you're a bank and need information on the credit standing of a loan applicant, the library can provide the names and addresses of companies in his field. It also has data for special studies of particular industries.

The Business Library, a branch of Newark Public, is celebrating its 50th anniversary and has published a 36-page pamphlet, "A Half-Century of Power for Business," in honor of that milestone. Established in 1904 by JOHN COTTON

DANA, a Vermonter who believed that a library's resources should be brought close to businessmen, this institution has been the model for others in dozens of cities here and abroad.

MISS MARIAN C. MANLEY, in charge of the Business Library since 1925, says there has been a striking change in the focus of businessmen's interests since 1931. Then the demand was heaviest for city directories, which helped in tracing installment account delinquents. Today these books account for only a small part of the demand; general reference sources are most popular.

Three main types of material are available: directories (city, trade, and foreign), special informational services (investments, taxes, construction, government regulations, etc.), and books, magazines, and services.

### City Honors Bank

THIS looks like news:

The city of Chicopee, Mass., presented a hand-illuminated scroll to the Chicopee Savings Bank in recognition of the bank's "notable distinction of performing a full 100 years of continuous financial public service" to the community.

The scroll, made by the Franciscan Sisters of St. Stanislaus Church in Chicopee, will be on permanent exhibition in the bank's lobby. It was

A city honors a bank

A Message  
To the Citizens of  
Chicopee, Massachusetts  
and a  
Centennial of Good Will and Esteem

Chicopee Savings Bank

Whereas the Chicopee Savings Bank has achieved the notable distinction of performing a full one hundred years of continuous financial public service to the citizens of Chicopee and surrounding communities and

Whereas this distinguished Bank is the first recorded business organization in our city's history to attain one hundred years of continuous service which has contributed greatly to the growth of the industrial, financial and civic life of the City of Chicopee as well as to the financial security of our citizens, and

Whereas the Chicopee Savings Bank has pledged anew its dedicated aim of serving the public interest for another century to come

Therefore Be it known that I, Walter H. Grubbski, Mayor of the City of Chicopee, do hereby express deep gratitude and appreciation on behalf of the citizens of the City of Chicopee for this outstanding contribution of public service as performed by the Chicopee Savings Bank, its Trustees, corporate officers and entire staff

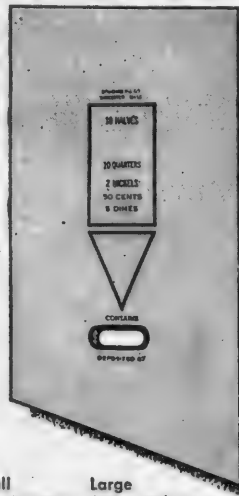
Walter H. Grubbski  
Mayor of Chicopee

June 29, 1954

**STANDARD**  
Wherever Money is Wrapped!

WINDOW COIN WRAPPERS,

angle-end wrappers for every coin size, automatically show denomination and amount through window.



Write today for colorful catalog.

Size: Small	Large
For: \$5 — Quarters	\$10 — Halves
\$3 — Dimes	\$10 — Quarters
\$1 — Nickels	\$5 — Dimes
25¢ — Pennies	\$2 — Nickels
	50¢ — Pennies



STANDARD PAPER GOODS MFG. CO.

WORCESTER 9, MASS.

A Complete Line of Money Wrappers

LEADING  
INDEPENDENT  
AND CHAIN  
BANKS

Now  
Specify



HOLDS  
\$125  
1c TO 50c



Mr. STREAMLINED

**COIN CHANGER**

"The Lowest Priced Modern Changer"

Over one quarter of the nation's leading banks now using. More than 450 in use in one large Western bank chain. Simplifies change handling. Sturdy aluminum, gray hammertone finish. Parts and workmanship guaranteed.

A TRIAL WILL CONVINCE YOU. See your dealer or write factory for 15 day free trial.

ONLY  
**\$63**

With roll-out base—\$22.50 extra, plus tax. (Model 1107 with silver dollar key—\$70, plus tax)



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...for less than 4¢ a copy**

You'll see how easily it's done with the Kodak Verifax Printer—a completely different type of copier—now being distributed nationally by Recordak Corporation.

Your local Recordak representative will show you how anyone in your office can copy your records on non-sensitized paper—instead of specially treated papers; and get 3 or more copies, instead of 1, from each sheet of matrix paper. No adjustment in your room lighting is required—another plus!

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Gentlemen: Please send free  
Verifax folder and address  
of nearest Recordak office.



R-11

Name \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

**RECORDAK**

Price quoted is subject to change without notice.

presented by Mayor WALTER J. TRYBULSKI at a quarterly meeting of the trustees, and received for the bank by President NELSON B. CARTER.

Signed by the mayor, the scroll bears the city's official gold seal.

### Fringe Benefits

A FEDERAL RESERVE BANK of Boston survey of fringe benefits offered by member banks in the First District shows that about half of the 260 replying banks are spending about \$6,000,000 annually on pension plans. They are also spending \$744,000 in payments for life and accident insurance and \$663,000 for hospitalization programs, says the Fed's *Monthly Review*.

The benefit most frequently reported was for hospitalization and medical-surgical expense, listed by 142 banks. Next in frequency were expenditures for welfare and employee relations by 133 banks, and pension plans by 131. Tied for fourth place were group insurance plans and educational benefits, each reported by 125 banks. Numerous other benefits were mentioned, such as medical care on bank premises, subsidization of cafeterias, and rental of parking lots for employees.

Fifty percent of the New England banks surveyed have formal pension plans as compared to 23% in a nationwide survey made by the American Bankers Association in March 1953, the *Review* notes.

### News Photo Gallery

IN New York City the public is voting on its favorite news photo.



"What I'd like is a long-term note while my capital is tied up in inventory"

At the Stuyvesant Town office of the Union Square Savings Bank one of the most complete collections of news pictures ever assembled is being shown for a two-month period, and visitors have a chance to express their choices, not only in eight major categories, but for "best of all."

CHARLES G. HAGEDORN, editor of *Town & Village*, assembled the pictures and lent them to the bank. They cover such historic events as the Wright Brothers first flight, the long count in the Dempsey-Tunney fight, the landing of paratroopers in Europe on D-Day plus one, the St. Valentine's Day massacre in Chicago.

Nearly all the photos have received one or more awards, and several are Pulitzer Prize winners.

An exhibit of news cameras, illustrating their development, is also being shown.

J. L. C.



# GROWING

## STATEMENT OF CONDITION

At the Close of Business June 30, 1954

### ASSETS

Cash on Hand and Due from Banks . . . . .	\$226,895,104.51
United States Government Obligations . . . \$112,773,675.65	
Public Housing Authority Obligations (Fully Guaranteed) . . . . .	7,669,582.68
State, County and Municipal Bonds . . . 13,931,081.68	134,377,340.01
Stock in Federal Reserve Bank . . . . .	900,000.00
Other Bonds . . . . .	2,241,730.00
Commodity Credit Corporation Certificates . . . . .	41,058,525.43
Loans and Discounts . . . . .	222,034,500.20
Income Accrued . . . . .	2,004,479.85
Letters of Credit and Acceptances . . . . .	688,744.30
Banking House and Equipment . . . . .	7,715,346.77
Other Assets . . . . .	267,744.33
	<b>\$638,183,515.40</b>

### LIABILITIES

Capital Stock . . . . .	\$ 15,000,000.00
Surplus Fund . . . . .	15,000,000.00
Undivided Profits . . . . .	5,902,399.37
Reserved for Contingencies . . . . .	\$ 35,902,399.37
Reserved for Taxes, Etc. . . . .	2,940,534.05
Deferred Income . . . . .	2,969,434.27
Letters of Credit and Acceptances . . . . .	532,307.81
	688,744.30

### DEPOSITS:

Individual . . . . .	\$853,532,752.59
Banks . . . . .	222,713,975.30
U. S. Government . . . . .	18,903,367.71
	<b>595,150,095.60</b>
	<b>\$638,183,515.40</b>

### DIRECTORS AND ADVISORY DIRECTORS

**NATHAN ADAMS**  
HONORARY CHAIRMAN OF THE BOARD  
**GEO. M. ALDRIDGE**  
CHAIRMAN, EXECUTIVE COMMITTEE  
**A. H. BAILEY**  
PRESIDENT, HIGGINBOTHAM-BAILEY CO.  
**HARRY W. BASS**  
PRESIDENT, HARRY BASS DRILLING CO.  
**HENRY C. COKE, JR.**  
COKE & COKE, ATTORNEYS  
**ROSSER J. COKE**  
COKE & COKE, ATTORNEYS  
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**FAKE FASH**  
INVESTMENTS  
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INVESTMENTS  
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EXECUTIVE VICE PRESIDENT AND  
SECRETARY, HIGGINBOTHAM-BAILEY CO.  
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SOUTHWESTERN MANAGER,  
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**JOHN J. KETTLER**  
SENIOR VICE PRESIDENT  
**BENNET L. KORTH**  
PRESIDENT, SOUTHLAND PAPER MILLS  
LUFKIN, TEXAS  
**C. L. MAILLOT**  
PROPERTY MANAGEMENT  
AND INVESTMENTS  
**EUGENE McELVANEY**  
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PRESIDENT, Wm. F. NEALE & CO.  
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CHAIRMAN OF THE BOARD,  
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**HYMAN PEARLSTONE**  
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HARDWARE CO.  
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GENERAL MANAGER, SOUTHWESTERN  
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**E. E. SHELTON**  
PRESIDENT, DALLAS FEDERAL SAVINGS &  
LOAN ASSOCIATION  
**R. H. STEWART, JR.**  
MANAGER, GRAHAM PAPER CO.  
**ARCHER S. UNDERWOOD**  
PRESIDENT, UNION COMPRESS &  
WAREHOUSE CO.  
LUBBOCK, TEXAS  
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INSURANCE CO.  
**BEN H. WOOTEN**  
PRESIDENT  
**TOODIE LEE WYNNIE**  
PRESIDENT, AMERICAN LIBERTY OIL CO.

The major difference between  
banks of today is the way  
people are treated.

*Ben Wooten*  
PRESIDENT



79th year of dependable correspondent service



# NATIONAL BANK IN DALLAS

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

... reduce  
operating  
costs with

LeFebure

POST-TO-CHECK Plan



● **FAST!**

Drastically reduces the number of operations and record handling.

● **ACCURATE!**

Posting errors are reduced, and charges to the wrong account are virtually eliminated.

● **CUSTOMER APPROVED!**

Banks using this system report customer approval of the plan and the services which it renders.

● **SIMPLE!**

Easier for bookkeepers and others involved to understand and use.

● **PROFITABLE!**

Savings in space and personnel result in a profitable operation for Post-To-Check usage.

**LeFebure**  
CORPORATION  
CEDAR RAPIDS, IOWA

Please send complete information to:

Name .....

Bank Name .....

Address .....

City ..... State .....

TRAINED REPRESENTATIVES  
IN MOST PRINCIPAL CITIES



OLD and bent and gray, he shuffled into the loan department. He wanted to borrow \$20. Security? Sure, he had security! He bent down and unlaced one of his shabby shoes and pulled out a crumpled envelope, from which he drew a \$20 bill.

"There's my collateral," he said. "You lend me \$20 and I'll leave this bill with you till I get the loan paid."

"But why don't you just use *that* \$20 bill?" asked the officer. "Then you won't have to pay any interest and be bothered with a loan?"

"Oh, no, Mister! I've carried this \$20 bill around with me for the last seven years, and as long as I've got



it I know I can't ever be flat broke. But if I ever did spend any of it, I'd go right on spending it and pretty soon I wouldn't have anything at all in the way of security—just like a lot of other old folks. Why, that's my luck—that \$20 bill. I couldn't tell you how many times I've—well, you might say—pawned it to somebody, just like I want to do today with you, and I've always managed to pay and get it back. And a man is never broke just as long as he has a twenty dollar bill—now is he?"

Pulling a dingy little notebook out of his shirt pocket, he showed the officer a series of \$20 items, listing the number of the bill, and the dates when it had served as security, all carefully dated as to when it had been redeemed, with the number of the bill listed each time.

"That's my ledger," he explained, proudly. "I always believe in being businesslike. Now if you'll loan me that money, I'll give the bill to you to hold—but, Mister, I want that very same bill back when I pay you off. It's my luck—and I aim to keep it!"

BELLE S. HAMILTON

MINER C. SLOAN, president of the Farmers and Merchants State Bank, Tryon, Oklahoma, has always been partial to animals—both as pets and for security purposes.

"One time," the 73-year-old banker remembers, "a Negro came into my bank and wanted to borrow \$10. I gave him the money and accepted his bird dog as security."

"I hunted with the dog all season and he was one of the best in Lincoln County. Eventually the man repaid the loan in full but never did come and get the dog."

Animal-secured loans don't always turn out this well, Mr. Sloan explains, pointing out that one of the few times he has lost money was a \$1,200 note he accepted after taking a mortgage on 12 2-year-old mules.

Mr. Sloan learned that another bank had a similar mortgage on the same stock, and then found the man actually had only one mule and a colt.

"I should send you to the pen, but I don't have the heart to do it," he told the man.

In 1936 when there was a crop failure in central Oklahoma, Mr. Sloan and the bank gained wide publicity by bringing in 56 carloads of feed for starving livestock.

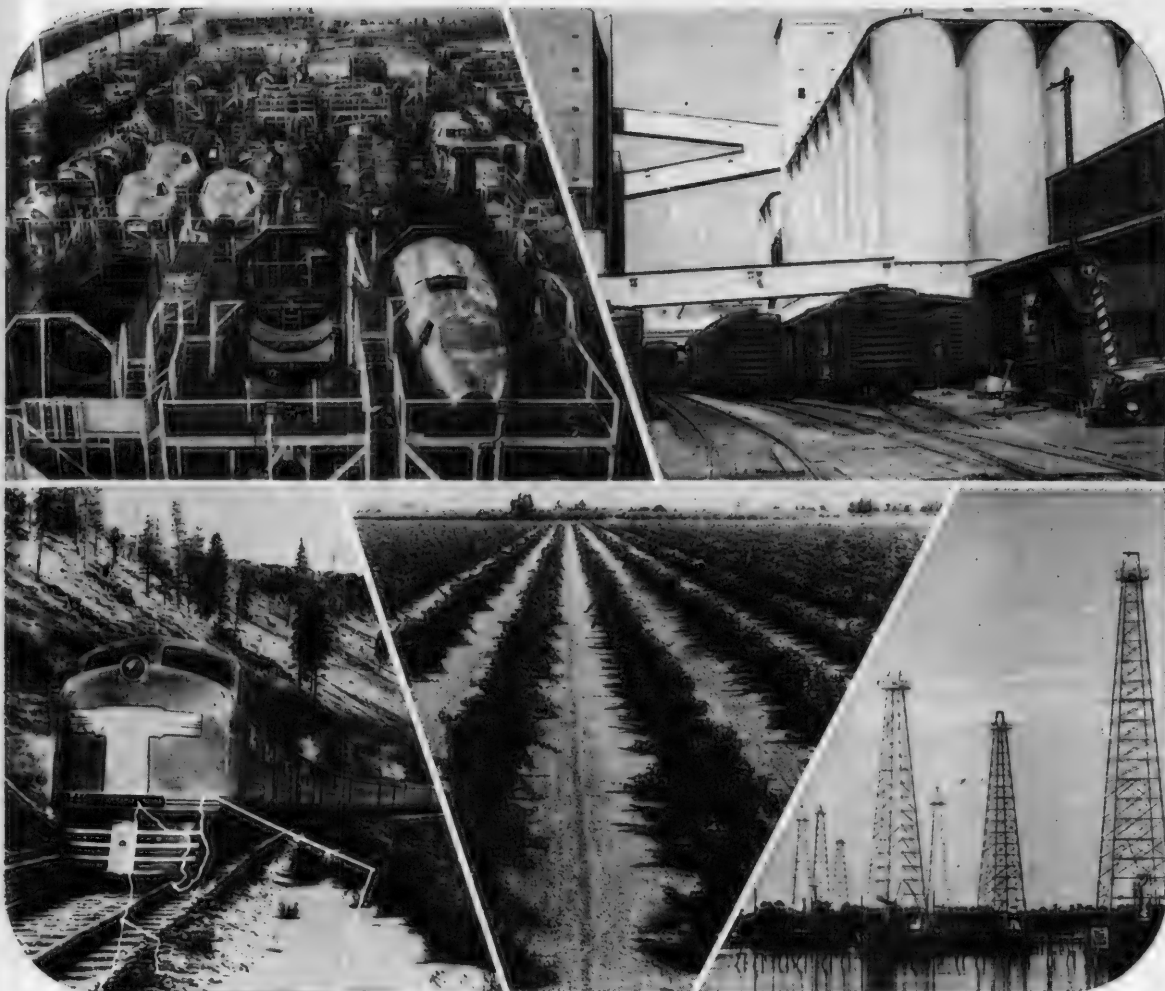
"But I wasn't really so good-hearted, for we would have had to take the animals since they were mortgaged," he admits.

JOHN L. FERGUSON

Banker Sloan and customer (Ray Saddle)







For More Than Half a Century...

**615 Banks**

**in all parts of the country have  
been Hanover correspondents**

FROM A  
SAN FRANCISCO BANKER:

*"It is indeed gratifying to  
correspond with a bank  
whose officers know how  
to deal with a request so  
efficiently and with such  
speed."*

A Bank Is Known By The



Correspondents It Keeps

**THE HANOVER BANK**

*Member Federal Deposit Insurance Corporation*

*an  
open  
and shut case...*



*Presenting an entirely new concept*

NOW IN PRODUCTION AND ON DISPLAY

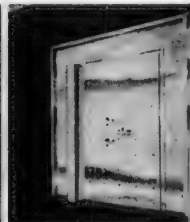
## THE NEW DIEBOLD-BASIC VAULT DOOR

Banks from coast to coast are selecting the new Diebold-Basic 10-Inch Vault Door for its harmonizing beauty with individual banking room decors. Recent selections include those by the Fulton National Bank of Atlanta, Georgia and the National Bank of Commerce of Seattle, Washington.

A thrilling new "pride-of-ownership" is one of the compelling appeals that influences bankers in selecting the magnificent new Diebold-Basic door. This appeal is founded on the entirely new concepts of beauty the door adds to the functional value of the vault.

Twelve different custom-designed installations enable each bank to select the one that will become a harmonizing feature in the motif of their banking room. The door creates its maximum appeal when open . . . the position in which depositors will see it. Write today for complete details.

*Bankers, architects and bank builders are cordially invited to see and study Diebold-Basic Vault Door installations now on display in our show rooms.*



*Typical Diebold-Basic vault door installations.*

*U. S. National Bank, Denver. National City Bank, Cleveland.*

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**Diebold**®  
INCORPORATED

CANTON 2, OHIO

MANUFACTURERS OF THE WORLD'S  
FINEST BANK EQUIPMENT





Compare our bond  
coverage for your  
commodity loans...

You Can Depend On  
**ST. LOUIS TERMINAL  
FIELD WAREHOUSE  
RECEIPTS**

**With this time-proven method,  
you can:**

- Convert open-line customers to secured loans
- Increase the limits of loan safety
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*For full information, contact the office nearest you*

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1611 Carew Tower

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839 Republic Nat'l Bank Bldg.

HOUSTON, TEXAS  
529 West Bldg.

JACKSON, MISS.  
Barnett-Madden Bldg.

KANSAS CITY 6, MO.  
1509 Waldheim Bldg.

LUBBOCK, TEXAS  
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NEW YORK 5, N. Y.  
37 Wall Street

PHILADELPHIA, PA.  
123 South Broad Street

TAMPA, FLORIDA  
707 Florida Avenue

WICHITA, KANSAS 723 South Broadway

## A Shopping Center Savings Bank

*A savings bank in a shopping center is rather unusual. Here's an account of one recently established in New York's Westchester County. The writer manages the branch.*

**A** PIONEER venture in savings banking took place when the Peoples Savings Bank of Yonkers, N. Y., opened its first branch office in the Cross County Center, a \$30,000,000 suburban shopping enterprise termed the largest development of its kind in the world.

The branch is not in a residential area and therefore is a regional rather than a neighborhood bank. A third of its accounts to date are from neighboring Westchester County towns and New York City.

The center office is open from 10 A. M. to 4 P. M. on Monday, Tuesday, Wednesday and from 10 A. M. to 8 P. M. on Thursday and Friday. Volume of retail shopping rises sharply toward the end of the week, and merchants and customers approve of the evening hours.

The bank is on the ground floor of the eight-story Medical Center Building which will house professional suites and a modern 125 bed hospital. Peoples is planning to present a gift certificate for a new savings account to the parents of each baby born in the hospital.

The bank is giving each employee working at the center a passbook showing a dollar deposit which represents a 10% bonus on his own first \$10 deposit. When all the stores are tenanted there will be over 3,000 permanent employees, with peak employment during special seasons of 5,000 to serve the estimated 25,000 to 30,000 shoppers per day.

On the opening day more than 1,100 accounts were started.

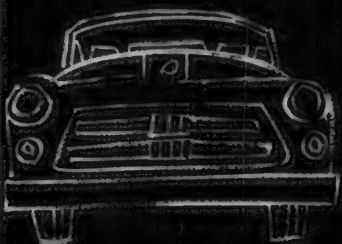
The bank cooperates with the Cross County Center Merchants' Association in promotional activities and a savings bank account was presented to the Center's 1,000,000th customer. An account was also presented to a winner in a Father's Day drawing conducted by the Association. Special events are planned for Labor Day, Columbus Day, Thanksgiving and Christmas.

FRANCIS A. HOLMES



*Good rule for a  
good investment!*

A Good  
Product  
(DODGE TRUCKS)



+

A Good  
Market



=

Growing  
Profits!



**DODGE**  
"Job-Rated"  
**TRUCKS**

Today the trucking industry offers attractive investment possibilities. No industry is more vital to the well-being of America. Nine million trucks ply the highways . . . one out of every 10 workers is employed in some phase of the trucking business.

Thus, the sales potential of the truck dealer is great . . . especially if he handles Dodge "Job-Rated" trucks! There are more than one million Dodge trucks hard at work today, and this number is increasing as more and more truckers discover the value of these dependable "work horses."

Whether you finance trucks or operate trucks, Dodge "Job-Rated" trucks are as sound an investment as you can make!

*A better deal for  
the man at the wheel...  
and a better deal for the  
man behind the deal, too!*

*This department is compiled by  
THEODORE FISCHER of BANKING'S  
staff.*

## 49-Year Account

**F**IRST NATIONAL BANK IN ST. LOUIS has received an interesting letter from a satisfied customer. He is Albert Huntington, retired school principal, who opened an account with a predecessor of FIRST NATIONAL back in 1905. He and his wife have drawn more than 8,235 checks on the account, which he opened upon accepting a teaching job in St. Louis.

"The entries in our old bank book show something of the long struggle by Mrs. Huntington and me to bring up a family and become fairly financially independent ourselves, and this was not easy to accomplish on the limited salary of a school teacher," writes Mr. Huntington. "... So you see, I appreciate the services of a good bank and I realize the part it can play in helping build a safe and secure financial future for a professional worker and his family."

PAUL BESTOR has been elected chairman of the board of The Trust Company of New Jersey, Jersey City, and CHARLES E. CLIFTON was elevated to the presidency and will be the bank's executive officer. MR. BESTOR is a member of the Advisory Committee on Organization of the Executive Branch of the Government. MR. CLIFTON has been with



Charles E. Clifton



Eben C. Johnson



Richard Rapport



R. Clyde Williams

the bank since 1913, trust officer since 1930, and vice-president and trust officer since 1934.

EBEN C. JOHNSON has been named a vice-president of American Trust Company, San Francisco. He will be identified with correspondent bank relations and will continue as head of the bank's transit and clearing departments. MR. JOHNSON is a member of the Committee on the Return of Unpaid Items of the A.B.A. Bank Management Commission, an alumnus of The Graduate School of Banking, and is a past president of San Francisco Chapter, American Institute of Banking.

# Heard Along

## Rapport to Bank

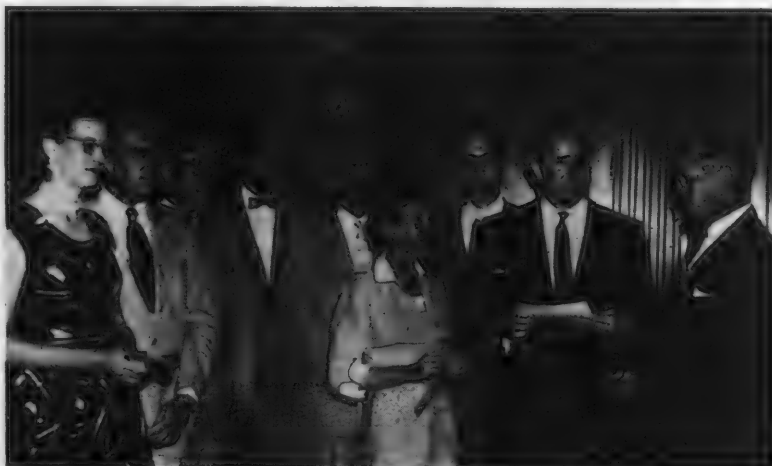
**R**ICHARD RAPPORT, executive manager of the Connecticut Bankers Association, will become a vice-president of the Hartford National Bank & Trust Company. It is expected that he will assume his new post in September after a replacement has been secured to head the staff of the association.

MR. RAPPORT was for a number of years State Bank Commissioner for Connecticut. He is a past president of the National Association of Supervisors of State Banks, is a member of the Research Council of the A.B.A., and has served on the faculty of The Graduate School of Banking.

R. CLYDE WILLIAMS, vice-chairman of the board of the First National Bank of Atlanta, has retired under the bank's retirement plan. He became president of the bank in 1944, and vice-chairman in January of this year. He was a member of the Bankruptcy Subcommittee of the A.B.A.'s Committee on Federal Legislation and has long been known as an authority on credit.

The BANK OF NEW MADRID, Missouri, displayed its new quarters to the public at a Sunday afternoon open house. The bank had moved into temporary quarters last winter to allow for complete modernization. The building is air conditioned and a new night depository has been provided.

Employees of Second National Bank, Houston, Texas, who completed with honors the educational program of Houston Chapter, American Institute of Banking, receive bonus checks from Executive Vice-President W. R. Garrison. Honor students received \$50 each. Honorable mention students received \$25 each



# Main Street



T. P. Coats



Henry Verdelin

## West Coast Merger

THE San Francisco Bank has purchased the Central Bank, Oakland, California. HENRY VERDELIN, president of The San Francisco Bank, said that "combining the resources of the Central Bank with The San Francisco Bank provides the capital and personnel to enable us to keep pace with the economic acceleration of this area. . . . Consequently, we have projected a program of expansion, which includes the opening of other branches."

T. P. COATS, who recently advanced to the board chairmanship of Central Bank, has been named chairman of the board of the combined institution, with combined deposits of over \$450,000,000. San Francisco Bank had eight offices; Central Bank, 15.

HELEN HODGE, for the past 11 years outside representative of The Greenwich (Connecticut) Trust Company, has retired under the bank's pension plan. She joined the bank in 1943 to take charge of the War Bond window, and subsequently became the bank's first outside new-business representative. Some 100 employees tendered Mrs. HODGE a farewell tea and she was presented an inscribed gold wrist watch. Theatregoers of a generation ago may recall Mrs. HODGE as the wife of William Hodge, actor and playwright, and also as a stage star in her own right. The James M. Barrie play, "A Kiss for Cinderella," was written expressly for her.

## Exclusive Club

ADAM SCHNEIDER, JR., president of Roosevelt Savings Bank, Brooklyn, now wears with pride a 50-year service pin which signifies membership in the bank's 50-year club. He's the only member. To celebrate his anniversary with the bank, the entire staff, together with wives, husbands, or sweethearts, attended a formal dinner dance which climaxed a week-long series of events. MR. SCHNEIDER was presented with a grandfather's clock.

The FIRST NATIONAL BANK of Poughkeepsie, New York, has celebrated its 90th anniversary. It had on display the original charter, copies of local newspapers published on opening day, and exhibits of currency and stamps of the period.

MORRIS F. MILLER has advanced to vice-president of the Omaha (Nebraska) National Bank.



Congressman Ralph Gamble, center, with three Boys Club members and their director, Morton S. Fuerst, left, during bank-sponsored visit to the nation's capital

## Instilling Americanism

FIRST WESTCHESTER NATIONAL BANK of New Rochelle, N. Y., believes that visiting national shrines is a good way of instilling Americanism. Accordingly it sponsored a trip to Washington for three boys from the local Boys Club and the club director. The trip was by air, and the party visited a session of the House of Representatives, went to all the local shrines and met and talked with Congressman Ralph Gamble, Senator Irving M. Ives, and FBI Director J. Edgar

The newly remodeled Blythe office of Citizens Trust & Savings Bank of Riverside, Calif., features local cattle brands on the front of its "tellers' row." Here rancher Harley Wells has just burned his brand into the wood. With him are, left to right, Gilbert D. Lehmann, assistant cashier, who supervised the remodeling, and M. C. "Bud" Wells, vice-president and manager



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COMPANY**

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# Exline

## Precision Manufacturers of

**PASSBOOKS for—**  
Commercial Accounts  
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**CHECK COVERS for—**  
End Stub Checks  
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Three-on-a-page Checks

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A Complete line of—  
**VINYL PLASTIC CHECK COVERS**  
and **COMMERCIAL PASSBOOKS**

**SPECIALISTS IN PASSBOOKS AND  
FORMS FOR MACHINE POSTING**

Write for samples  
and prices today!

**WILLIAM EXLINE INC.**

1270 Ontario Street • Cleveland 13, Ohio

Hoover. The Washington visit lasted several days with all expenses defrayed by the bank.

L. WERNER KNOKE, vice-president of the Federal Reserve Bank of New York, will retire September 1. Since 1937 he has been vice-president and senior officer in charge of international banking, gold and silver operations, and foreign assets control. JOHN E. EXTER is appointed a vice-president as of September 1 to succeed Mr. KNOKE.

## PBA Gets Award

THE Pennsylvania Bankers Association has received a U. S. Treasury Award in recognition of its aid to the Savings Bonds program. Presentation was made at the Association's recent annual convention in Atlantic City.

The award, a colored engraving of President Eisenhower's Inauguration Prayer, is framed in wood taken from the inauguration platform. Similar awards went to RUSSELL J. HOPKINS, State Savings Bond Chairman of the A.B.A., and to PBA President J. C. WARNER, JR. MR. HOPKINS is president of Titusville Trust Co.; MR. WARNER is president of The First National Bank of Milford.

FIRST NATIONAL BANK in Menomone, Wisconsin, held a celebration of its 75th anniversary diamond jubilee. The affair was held on Saturday afternoon, July 10, the actual date marking completion of 75 years. In the lobby was a big cake with 75 candles and various exhibits, one of which was a \$10,000 bill. The open house included tours through the bank, refreshments, gifts.

Mervin B. France, left, president of Society for Savings, Cleveland, Ohio, presents check for \$1,000 to 71-year-old Otto Muth on completion of 50 years with the bank



Charles Bentley



M. F. Richardson

CHARLES BENTLEY has been named director of Personnel of American National Bank and Trust Company of Chicago. He formerly held a similar post with the Chicago regional office of the Internal Revenue Service.

M. F. RICHARDSON was elected a vice-president of First National Bank in Dallas. He began his career with a predecessor of First National, to which he now returns after five years as executive vice-president of Hillcrest State Bank of Dallas.

## Fred F. Ellsworth

FRED F. ELLSWORTH, who died on June 1 at the age of 81 in New Orleans, was long active in the American Bankers Association and had served on its Executive Council. He had retired on January 2, 1947, as vice-president of the Hibernia National Bank, New Orleans, after serving as executive officer since its organization in 1933. Before that he had been associated with the old Hibernia Bank and Trust Company since 1918.

Prior to 1918, MR. ELLSWORTH had been manager of the advertising and new business department of the First National Bank of Chicago, and secretary and advertising manager of the Guaranty Trust Company of New York.

He was a former president of the Financial Advertisers Association and of the Association of Reserve City Bankers.

Following his retirement from banking, he operated the Fred W. Ellsworth Advertising Service. He had continued active in many fields, and recently at 81 served as an active cochairman of a financial campaign on behalf of the New Orleans Council of Churches.

MIDDLESEX COUNTY NATIONAL BANK, Everett, Massachusetts, has embarked on a long-range remodeling program of its 14 offices.





William F. Elliott



Thomas C. Frye



Robert T. Shinkle



Roland Pierotti

WILLIAM F. ELLIOTT, heretofore an estate planning specialist in Chicago, has joined American National Bank at Indianapolis as vice-president and trust officer.

THOMAS C. FRYE has been advanced to vice-president of the Idaho First National Bank, Boise.

FREDERICK T. TINSLEY, JR., has joined the First National Bank of Leesburg, Florida, as trust officer. He entered banking with the Continental Illinois National Bank and Trust Company of Chicago. He was stationed in Florida during the war, liked it, and came back. He came to the Leesburg bank from Central Title & Trust Company of Orlando. He is currently vice-chairman of the trust division of the Florida Bankers Association.

UPPER AVENUE NATIONAL BANK of Chicago held an open house to celebrate its 25th anniversary.

### George L. McCarthy

GEORGE LEWIS MCCARTHY, inventor of the microfilming machine and chairman of the board of Recordak Corporation, died at his home in Greenwich, Conn., on July 9, a few days before his 67th birthday.

MR. MCCARTHY had been a bank officer, and his invention of the microfilming process was undertaken in order to speed up the return of canceled checks. He worked on his invention after bank hours in his basement workshop. He received various awards for his achievement.

The original machine, called Check-O-Graph, was exhibited at a number of banking conventions without too much encouragement. George Eastman was interested, however, and in 1928 Recordak Corporation was established as a subsidiary to the Eastman Kodak Company.

ROLAND PIEROTTI, vice-president of Bank of America and its Washington representative since 1947, has moved to the San Francisco head office to become assistant to the president. He succeeds R. P. A. EVERARD, retired. ROBERT T. SHINKLE succeeds MR. PIEROTTI as Washington representative.

Central National Bank of Cleveland announces these promotions: D. D. SCOTT, vice-president; J. J. SCHULTZ, assistant vice-president.

The newly rebuilt office of THE IDAHO FIRST NATIONAL BANK at Rupert, Idaho, was opened for public inspection at a Saturday afternoon open house. The bank had used temporary quarters during the period of construction.

The CITIZENS BANK OF PIKEVILLE, Kentucky, now has a snorkel curb teller.

DARREL A. CANTWELL, cashier of the Gorham (Kansas) State Bank claims his bank has the youngest active working force of any bank in the United States—average age, 23. CASHIER CANTWELL at 27 is the grand old man amongst the active workers.

FRED A. BAKER was elected vice-president and cashier of the Bank of Utah, Ogden. He has been with the bank since its opening, and was formerly cashier.

### 135th Anniversary

NEW YORK STATE'S first mutual savings bank, THE BANK FOR SAVINGS in the City of New York, celebrated its 135th anniversary on July 3. It opened for business in a basement room in the Old Alms House in City Hall Park. The first day, 80 New Yorkers deposited a total of \$2,807. It has today 200,000 depositors and assets of \$400,000,000. Its depositors have received

## How does a bank get that way?

• A bank begins because the need for it arises in the community. Whether it goes on to prosper is dependent on how well it serves its customers.

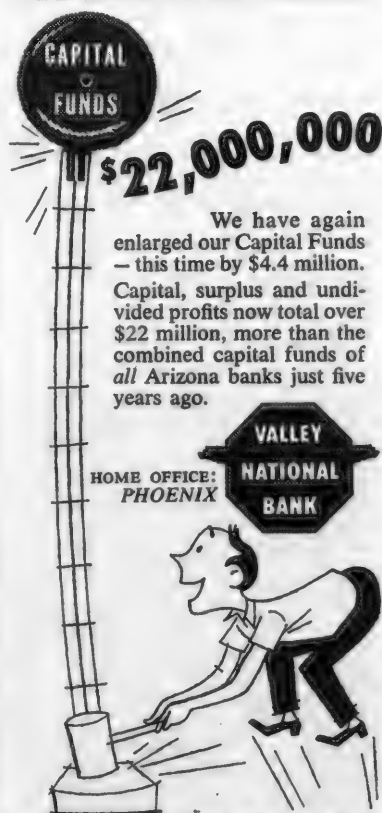
We at Central-Penn have been serving Philadelphians for more than 125 years. And right now, during the Delaware Valley's industrial renaissance, we are in the midst of our greatest growth.

This is all vital evidence that we are doing our job well. And proof that we will provide good service for your client should they come into this booming area.

### CENTRAL-PENN NATIONAL BANK

OF PHILADELPHIA

Member Federal Deposit Insurance Corporation  
Member Federal Reserve System



We have again enlarged our Capital Funds — this time by \$4.4 million. Capital, surplus and undivided profits now total over \$22 million, more than the combined capital funds of all Arizona banks just five years ago.

HOME OFFICE:  
PHOENIX

VALLEY  
NATIONAL  
BANK

Largest Bank in the Rocky Mountain States

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

over \$390,000,000 in dividends since 1819.

BANK OF POWHATAN, Virginia, has just held an open house so its friends could inspect its modern air-conditioned quarters.

FREDERIC W. ROUNDS, manager of the Woonsocket Branch of the Industrial National Bank of Providence, Rhode Island, has been named a vice-president.

FLORENCE A. FLINN, assistant cashier of McDowell National Bank, Sharon, Pennsylvania, has retired. Miss FLINN joined the staff in 1918, had been an officer since 1939. She was for many years secretary to the late H. B. McDowell, who served as president of the bank until his death. In recent years she had been in charge of the safety deposit box operation and of issuing U. S. Savings Bonds. She served for a number of years as secretary of Sharon Chapter, American Institute of Banking.

National City Bank of Cleveland announces these promotions: GILBERT H. PALMER, vice-president; ALAN H. HOMANS, assistant vice-president.

Pat Russell, 13, receives from President Joseph E. Birnie of Bank of Georgia, Atlanta, a bag of fifty 50-cent pieces, one of many gifts. She had opened the bank's 50,000th active account. She received also 50 theater tickets, coupons good for 50 pints of ice cream and 50 gallons of gas, a \$50 U. S. Savings Bond, 50 swimming pool tickets, 50 personalized checks for her mother, and free rent for a year on Safe Deposit Box No. 50



## Steptoe Leaves KBA

ROBERT P. STEPTOE, public relations director of the Kentucky Bankers Association, has resigned, effective July 31, to enter the life insurance business with Dan W. Hallenberg & Associates, Louisville, general agent of the Lincoln National Life Insurance Company of Fort Wayne, Indiana. MR. STEPTOE joined the KBA staff in January 1949, and has been editor of the *Kentucky Banker* since February of last year. It is planned that he should continue as editor until the end of this year. MR. STEPTOE has also written numerous magazine articles, including some for *BANKING*.

JAMES ANDERSON, manager of the Totowa office of 1st National Bank and Trust Co., Paterson, New Jersey, has been elected a vice-president.

HENRY L. SCHENK, president of Trade Bank and Trust Company, New York City, has received a citation which reads: "The American Legion of New York County in Convention assembled, in appreciation and grateful acknowledgment for his invaluable assistance to our organization, presents this commendation to Henry L. Schenk for outstanding service in banking and finance." It is signed by Victor Konow, Commander, and Bernard S. McGovern, Adjutant.

LYOYD H. TURNER, former assistant national bank examiner, has joined the staff of the Texas National Bank of Houston. He's the son of P. A. TURNER, vice-president of the Commercial National Bank of Shreveport, Louisiana.

JOSEPH M. DODGE, chairman of the board of The Detroit Bank, has been reelected a director of Chrysler Corporation. He had resigned upon becoming Director of the Bureau of the Budget.

WILLIAM L. NICHOLS has been elected trust officer of the Central National Bank, Richmond, Virginia. He's a member of the Class of 1956 at The Graduate School of Banking.

ROSCOE C. WIXSON has retired as vice-president of The Marine Savings Bank, Marine City, Michigan.



Robert P. Steptoe



Louis G. Galland

## Louis Galland

LOUIS G. GALLAND, senior vice-president, died of a cerebral hemorrhage while at his desk at Valley National Bank, Phoenix, Arizona. Only an hour before his death, MR. GALLAND had attended an officers' meeting and had seemed in the best of spirits and in excellent health. He was 72 years old.

MR. GALLAND was a member of the Livestock Committee of the A.B.A. Agricultural Commission.

JOHN B. GOODWIN has been elected vice-president of the Bank of the Manhattan Company, New York. He will be in charge of the division representing the bank's interests in Indiana, Michigan, Ohio, and western Pennsylvania.

HARRY T. SCHUESSLER and WENDELIN A. MARTIN were promoted to vice-presidencies at Jefferson-Gravois Bank of St. Louis.

BURLEIGH B. DRAPER has retired as an active vice-president of First Camden National Bank and Trust Company, Camden, New Jersey. He will continue as an inactive vice-president and as chairman of the board. Two testimonial dinners were tendered in his honor, one by the directors and one by officers and employees.

The Parkmerced office of the ANGLICAN CALIFORNIA NATIONAL BANK of San Francisco, which opened just three years ago, has outgrown its quarters and will be enlarged.

THE FIRST NATIONAL BANK of ARIZONA reports that the construction progress on its new head office building in Phoenix continues to amaze onlookers. The bleachers overlooking the operations are usually "comfortably occupied." Steel is going up and occupancy by June 1955 is anticipated.

(CONTINUED ON PAGE 26)

# First Wisconsin National Bank

JOHN S. OWEN  
Executive Vice President

OF MILWAUKEE  
WILLIAM G. BRUMDER  
President and Chairman of the Board

JOSEPH W. SIMPSON, Jr.  
Executive Vice President

Statement of Condition as of June 30, 1954

## RESOURCES

Cash and Due from Banks...	\$176,793,716.95	
U. S. Government Securities.	259,497,130.75	\$436,290,847.70
Other Bonds and Securities.....		25,630,707.90
Stock in Federal Reserve Bank.....		900,000.00
Loans and Discounts.....	169,807,233.73	
Other Resources.....	4,453,979.98	
Bank Buildings and Equipment.....	3,874,309.64	
		\$640,957,078.95

## LIABILITIES

Capital.....	\$ 10,000,000.00	
Surplus.....	20,000,000.00	
Undivided Profits.....	6,731,285.42	
Reserve for Securities.....	1,000,000.00	
*Reserve for Loans.....	6,026,386.79	\$ 43,757,672.21
Reserves for Interest, Taxes, Expenses, etc.....		2,286,288.77
Deposits.....	558,133,944.86	
Treasury Tax and Loan Account.....	33,208,107.30	591,342,052.16
Other Liabilities.....		3,571,065.81
		\$640,957,078.95

\*The maximum allowed as a deduction  
by the Internal Revenue Service.

CHARTER No. 64 / MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION / ESTABLISHED 1853

**A**mple Resources... **PLUS** personal attention  
to your special needs...

The size of this bank, long the largest in Wisconsin, is an important basis for the scope and efficiency of First Wisconsin service to correspondent banks and business corporations. But there's an equally important "plus" factor—the personal attention of experienced officers to your special needs, assuring service geared to your *unusual* as well as your routine requirements.



**Banks and Other Customer Services Division**  
Seated, left to right: Robert A. Zentner, Vice President; Donald A. Harpe, Vice President; George F. Kasten, Vice President; John G. Topp, Assistant Vice President. Standing, left to right: Mark A. Rusch, Assistant Vice President; L. J. Smotherman, Assistant Vice President; D. Wesley Correll, Vice President.

# CENTRAL NATIONAL BANK of Cleveland

123 WEST PROSPECT AVENUE

## Condensed Statement of Condition June 30, 1954

### ASSETS

Cash in Vault and Due from Banks	\$112,952,508.54
U. S. Government Obligations	196,044,335.29
Other Bonds and Securities, Including Stock of the Federal Reserve Bank	5,101,139.26
Commodity Credit Corporation Certificates	11,999,000.00
Loans Guaranteed or Insured by Federal Agencies	33,185,192.50
Other Loans and Discounts	125,263,237.40
Customers' Liability under Acceptances and Letters of Credit Outstanding	1,837,002.03
Banking Premises	2,705,269.74
Accrued Interest and Other Assets	2,618,043.17
<b>TOTAL ASSETS</b>	<b>\$491,705,727.93</b>

### LIABILITIES

<b>Deposits:</b>	
Demand	\$323,947,393.70
Time	131,988,824.21
Acceptances and Letters of Credit Outstanding	1,837,002.03
Accrued Expenses, Taxes, etc.	3,747,718.46
Valuation Reserve for Loans and Securities	5,398,081.59
Capital Stock (703,125 shares, par value \$16)	\$ 11,250,000.00
Surplus	11,250,000.00
Undivided Profits	2,286,707.94
<b>TOTAL CAPITAL ACCOUNTS</b>	<b>24,786,707.94</b>
<b>TOTAL LIABILITIES</b>	<b>\$491,705,727.93</b>

United States Government obligations and other assets carried at \$60,768,329.03 are pledged to secure trust deposits and public funds and for other purposes as required by law.



## Statement of Earnings

	1954 2nd Quarter	Six Months
OPERATING EARNINGS		
Operating Income	\$ 3,414,700.72	\$ 6,831,330.14
Operating Expense	2,301,244.41	4,585,117.06
Operating Earnings before Federal Income Tax	\$ 1,113,456.31	\$ 2,246,213.08
Provision for Federal Income Tax on Operating Earnings	560,000.00	1,135,000.00
<b>NET OPERATING EARNINGS</b>	<b>\$ 553,456.31</b>	<b>\$ 1,111,213.08</b>
Profit on Securities Sold—After Taxes	246,955.97	372,139.79
<b>TOTAL EARNINGS BEFORE RESERVES</b>	<b>\$ 800,412.28</b>	<b>\$ 1,483,352.87</b>
Transferred to Valuation Reserve	246,955.97	372,139.79
<b>EARNINGS ADDED TO UNDIVIDED PROFITS</b>	<b>\$ 553,456.31</b>	<b>\$ 1,111,213.08</b>

### Per Share Earnings

Operating Earnings before Federal Income Tax	\$ 1.58	\$ 3.19
Provision for Federal Income Tax on Operating Earnings	.79	1.61
<b>NET OPERATING EARNINGS</b>	<b>\$ .79</b>	<b>\$ 1.58</b>

## Statement of Surplus and Undivided Profits

Total—Beginning of Period	\$13,264,501.63	\$12,987,994.86
<b>Additions:</b>		
Current Earnings	553,456.31	1,111,213.08
<b>TOTAL</b>	<b>\$13,817,957.94</b>	<b>\$14,099,207.94</b>
<b>Deductions:</b>		
Dividends Paid	281,250.00	562,500.00
<b>Total—End of Period</b>	<b>\$13,536,707.94</b>	<b>\$13,536,707.94</b>

Member Federal Deposit Insurance Corporation

## MAIN STREET (Continued)

Three Chicago bank executives have been elected trustees of Northwestern University: GAYLORD A. FREEMAN, Jr., general vice-president, First National Bank; KENNETH V. ZWIENER, vice-president and director, Harris Trust and Savings Bank; and TILDEN CUMMINGS, vice-president, Continental Illinois National Bank and Trust Company.

DR. JOHN C. WARNER, president of Carnegie Institute of Technology, Pittsburgh, has been appointed to the board of directors of the Pittsburgh Branch of the Federal Reserve Bank of Cleveland. He fills the unexpired term of the late PROFESSOR MONTFORT JONES of the University of Pittsburgh, who died May 17.

FRANK C. CARTER, JR., has advanced to senior vice-president of the First National Bank in Dallas.

JON BJORNSON has been named advertising manager for the Northwestern National Bank of Minneapolis, and comes to the bank from the Ruthrauff & Ryan agency.

JOHN E. RUSSELL was elected chairman of the board of Bishop National Bank of Hawaii at Honolulu, succeeding E. H. WODEHOUSE, retired. MR. RUSSELL has been a director since 1930 and member of the executive committee since 1933.

EDGAR P. BELDEN has been elected resident assistant vice-president of the New York office of National Shawmut Bank of Boston.

JAMES NICOL has advanced to the newly created position of executive vice-president of the First National Bank of Independence, Missouri. He's an alumnus, Class of 1951, of The Graduate School of Banking, and is a past president of Kansas City Chapter, American Institute of Banking.

Edgar P. Belden

James Nicol



BANKING





Jean Guthrie



James M. Slay

JEAN GUTHRIE is new advertising assistant to VIRGINIA VALENTINE at State Planters Bank and Trust Co., Richmond, Virginia. Her duties include editorship of the bank's well-known publication *No Protest*.

JAMES M. SLAY, member of a Durham, North Carolina, investment securities firm and former assistant dean of Duke University, has been appointed vice-president of the Federal Reserve Bank of Richmond. He will head the bank's personnel department, succeeding Dr. K. BRANTLEY WATSON, who resigned to become director of human relations for McCormick and Company, of Baltimore.

DEWITT A. FORWARD, senior vice-president of National City Bank of New York, was awarded an honorary Doctor of Laws degree by his alma mater, Colgate University.

DR. GEORGE E. HASSETT, JR., assistant professor of finance at New York University, has been named educational director of New York Chapter, American Institute of Banking.

EDWARD M. HENRY was elected vice-president of The Hanover Bank, New York City. He supervises the bank's business in Alabama, Florida, Georgia, and South Carolina.

PHILIP R. CLARKE, board chairman of City National Bank and Trust Company, Chicago, was awarded an honorary degree of Doctor of Laws at the 125th anniversary of the founding of Illinois College at Jacksonville, oldest college in the state.

CLIFTON BLACKMON, vice-president and director of advertising and public relations for the First National Bank in Dallas, has been elected president of the Dallas Advertising League. GEORGE J. WATTS, vice-president in charge of advertising and public relations for the



## Leading Banking Organization Gets Top Service From RIFKIN SAFETY SACS with Arcolock®

Proof of the exceptional durability of the Rifkin Safety Sac with built-in Arcolock . . . and of its top efficiency for collection purposes is the many years of ever-increasing service to one of the largest banking institutions in the United States. Today all of the branches of this organization enjoy smooth running profitable night depository systems.

This customer states: "We have used the Rifkin bags for a number of years and in considerable quantities because it appears to serve our purpose to our best advantage. We have not seen another style that we believe would serve us so well."

Over half of the nation's banks put their currency in Rifkin bags — safety sacs with Arcolock, mail sacs, zipper and drawstring coin bags. These superior bags, handsomely Nu-Art printed or embroidered with your bank's insignia help to cement good customer relations and streamline bank operations.



Write for free literature to:  
A. Rifkin & Company, Wilkes-Barre 6, Pa.

Republic National Bank of Dallas, has been elected to the board of directors of the League for a two-year term.

Newly elected to the board of directors of The Ohio Citizens Trust Company, Toledo, are ALVIN E. SEEMAN, president of Acklin Stamping Company, and JOHN E. HANKINSON, president of Virginia Surety Company.

FREDERICK D. WHITNEY, vice-president in charge of new business, has retired from the Lincoln Rochester Trust Company, Rochester, New York. He joined the bank in 1928, and has been active in many civic affairs.

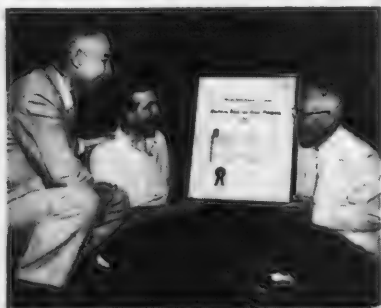
DR. JOHN J. BALLE of the Department of Economics of Ohio State University has been appointed a senior economist in the research department of the Federal Reserve Bank of Cleveland.

WILLIAM T. SHIELDS, JR., has joined Potter Bank and Trust Company, Pittsburgh, as a vice-president to specialize in business development. He was formerly an advertising account executive.

## Wachovia Gets Award

THE Winston-Salem (N.C.) Chamber of Commerce presented a commendation to the WACHOVIA BANK AND TRUST COMPANY in recognition of 75 years of service to the community and to the state. Presentation was made at a staff picnic on the anniversary. Fred Linton, executive manager, and J. E. Gibson, president, of the Chamber made the presentation to President Robert M. Hanes.

President Hanes, center, receives plaque from Chamber of Commerce officials



Ben R. Meyer



W. W. Scranton

## Twin Anniversaries

THE 40th anniversaries of the founding of UNION BANK & TRUST Co. of Los Angeles and of BEN R. MEYER as its chief executive were celebrated jointly on July 1 by officers and directors of the bank and their wives.

The bank opened on July 1, 1914, under the name of Kaspere Cohn Commercial and Savings Bank. It was renamed in 1918. MR. MEYER was vice-president and director of the bank at its inception, succeeded to the presidency on the death of Kaspere Cohn in 1916, and now serves as both president and board chairman.

The bank has reached its present size among the nation's 100 largest banks without mergers or consolidations.

THE CONNECTICUT BANK AND TRUST COMPANY, Hartford, which came into existence on July 1, represents a merger of The Hartford-Connecticut Trust Company and the Phoenix State Bank and Trust Company. The bank has 21 offices, resources in excess of \$300,000,000, and trust assets of more than \$400,000,000. Chairman of the board is LESTER E. SHIPPEE, formerly president of Hartford-Connecticut Trust. President is RAYMOND C. BALL, formerly president of Phoenix State Bank.

HARRY GONZALES has been elected vice-president of the Atlantic National Bank of Jacksonville, Florida, as of August 1, and will be in charge of public relations and new business development.

THE CHAPPAQUA (N. Y.) NATIONAL BANK had open house on two successive Saturdays. The first marked the showing of its enlarged and modernized building in the home village, while the second celebrated the opening of the bank's North Castle office in nearby Armonk.

WILLIAM W. SCRANTON, was elected president of the Scranton Lackawanna Trust Company, Scranton, Pennsylvania. He succeeds FRANK E. HEMELRIGHT, who was recently elected president of the First National Bank of Scranton. MR. SCRANTON is a director of both banks and is vice-president of Union Broadcasting Company, operator of WARM-TV.

FREDERIC A. POTTS, president of The Philadelphia National Bank, has been elected chairman of the National Invest in America Committee for 1954-55. The Committee's primary objective "is to promote better public understanding of the vital need of a free flow of capital in America's competitive enterprise system to provide more and better jobs for the country's expanding population."

FIRST NATIONAL BANK and TRUST COMPANY of Tulsa recently held a picnic at which it awarded cash prizes to employees who had donated blood to the Red Cross during the past year.

(CONTINUED ON PAGE 30)

Among the first to sign "consent forms" permitting use of their names in charity drives are Lt. Gen. James H. Doolittle, seated, vice-president of Shell Oil Company, and Hobart M. McPherson second from left, vice-president of National City Bank of New York, both national officers of United Defense Fund, Inc., N. Y. State Senator Bernard Tompkins, left, and Assemblyman Samuel Rabin are chairman and vice-chairman of the joint legislative committee whose hearings focused public attention on the need to eliminate racketeering from charity fund-raising





# THE DETROIT BANK

## Statement of Condition

June 30, 1954

★

### RESOURCES

CASH AND DUE FROM BANKS . . . . .	\$123,456,849
UNITED STATES GOVERNMENT OBLIGATIONS . . . . .	321,180,267
STATE AND MUNICIPAL SECURITIES . . . . .	70,635,248
CORPORATE AND OTHER SECURITIES . . . . .	6,524,733
LOANS AND DISCOUNTS . . . . .	\$106,486,876
REAL ESTATE LOANS . . . . .	101,412,992
FEDERAL RESERVE BANK STOCK . . . . .	787,500
BANK PROPERTIES AND EQUIPMENT . . . . .	4,533,560
ACCRUED INTEREST AND PREPAID EXPENSE . . . . .	3,733,692
CUSTOMERS LIABILITY ON ACCEPTANCES AND CREDITS . . . . .	83,576
OTHER ASSETS . . . . .	158,162
TOTAL . . . . .	<u>\$738,993,455</u>

★

### LIABILITIES

DEMAND DEPOSITS:	
INDIVIDUALS, CORPORATIONS AND OTHERS . . . . .	\$318,345,768
U. S. GOVERNMENT . . . . .	18,220,148
OTHER PUBLIC FUNDS . . . . .	23,352,391
SAVINGS DEPOSITS . . . . .	337,977,679
TOTAL DEPOSITS . . . . .	\$697,895,986
UNEARNED INTEREST . . . . .	1,711,814
ACCRUED EXPENSES AND TAXES . . . . .	3,393,683
ACCEPTANCES AND LETTERS OF CREDIT . . . . .	83,576
CAPITAL—COMMON (825,000 SHARES) . . . . .	\$ 8,250,000
SURPLUS . . . . .	18,000,000
UNDIVIDED PROFITS . . . . .	7,772,786
GENERAL RESERVES . . . . .	1,885,610
TOTAL . . . . .	<u>\$738,993,455</u>

United States Government Securities in the foregoing statement with a par value of \$28,978,000 are pledged to secure public and other deposits where required by law, including deposits of the State of Michigan amounting to \$7,851,874.

### • DIRECTORS •

WALKER L. CISLER President The Detroit Edison Co.
CHARLES A. DEAN, JR. President-Treasurer Dean Chemicals, Inc.
JOSEPH M. DODGE Chairman of the Board
CHARLES H. HEWITT Executive Vice-President
RALPH HUBBART Chairman of the Board Allied Products Corp.
GEORGE W. MASON Chairman of the Board President American Motors Corporation
JAMES McMILLAN Vice President and Treasurer Boyer-Campbell Co.
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RAYMOND T. PERRING President
HARRY L. PIERSON Chairman of the Board Detroit Harvester Co.
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40 Offices Throughout the City

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MORE THAN ONE HUNDRED FIVE YEARS OF SERVICE



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### Industrial... Commercial and Financial Information

Designed to provide factual information for businessmen this new booklet is now available on request.

111 pages packed with carefully selected facts, graphs, maps, and illustrations, describe the Australian scene, the people, primary and manufacturing industry, power resources, trade, transport and communications, private and public finance, and the social pattern.



### AUSTRALIA AND NEW ZEALAND BANK LIMITED

*in which are merged*

BANK OF AUSTRALASIA  
(Established 1835)

UNION BANK OF AUSTRALIA LTD.  
(Established 1837)

Overseas Department:

394 COLLINS STREET, MELBOURNE

Over 780 Branches and Agencies throughout Australia and New Zealand,  
in Fiji and Papua, and in London.

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## MAIN STREET (Continued)

RAYNHAM TOWNSHEND, trust officer of The Union and New Haven Trust Company, New Haven, Connecticut, has been elected to the additional position of secretary.

Culver Military Academy, Culver, Indiana, bestowed its highest honor on W. O. OSBORN, prominent Hoosier banker, during its 60th annual commencement exercises. MR. OSBORN, president of The State Exchange Bank of Culver and Argos, Indiana, and the Farmers State Bank of La-Paz, was named an honorary member of the Cum Laude Society. More than 2,000 visitors witnessed the ceremony.

Five promotions have been announced by the Second National Bank of New Haven, Connecticut: ELWYN H. COWLES, FREDERICK B. HARRIS, and GEORGE O. NYE, vice-presidents; JOHN C. ROBINSON, cashier; and WILLIAM S. GUARDENIER, assistant vice-president.

Nearly 500 persons came to the 4 to 8 P. M. opening of the new drive-in branch of the GUARANTY BANK AND TRUST COMPANY, Florence, South Carolina.

ORRIN H. SWAYZE has been elected executive vice-president of First National Bank, Jackson, Mississippi. MR. SWAYZE is a member of the Instalment Credit Commission of the A.B.A., and is director of The School of Banking of the South, at Louisiana State University.

JULIAN O. NORTHCRAFT, former Ohio Assistant Attorney General, has joined the trust department of the Toledo Trust Company.

LOGAN CLARKE, JR., National Division representative of the National Shawmut Bank of Boston, has been assigned to assist A. W. HILL, vice-president, in development and contact work in the south.

J. O. Northcraft

Logan Clarke, Jr.



**BANKING**





## Statement of Condition

June 30, 1954

### RESOURCES

Cash on Hand and in Banks	\$ 230,298,126.14
U. S. Government Obligations	390,089,591.09
State, County, and Municipal Bonds	55,674,290.09
Other Bonds and Securities	25,712,729.71
Stock in Federal Reserve Bank	1,650,000.00
Loans and Discounts	560,056,171.66
Bank Premises and Equipment	10,895,040.65
Other Real Estate	1.00
Customers' Liability under Acceptances	2,027,261.48
Accrued Interest Receivable and Other Assets	9,147,568.75
<b>Total Resources</b>	<b>\$1,285,550,780.57</b>

### LIABILITIES

Deposits	\$1,194,772,859.01
Acceptances Outstanding	2,030,112.33
Reserve for Unearned Discount	8,472,558.60
Reserve for Interest, Taxes, etc.	8,624,554.70
Other Liabilities	1,868,962.19
<b>Capital Funds:</b>	
Capital Stock	20,000,000.00
Surplus	35,000,000.00
Undivided Profits	14,781,733.74
<b>Total Liabilities</b>	<b>\$1,285,550,780.57</b>

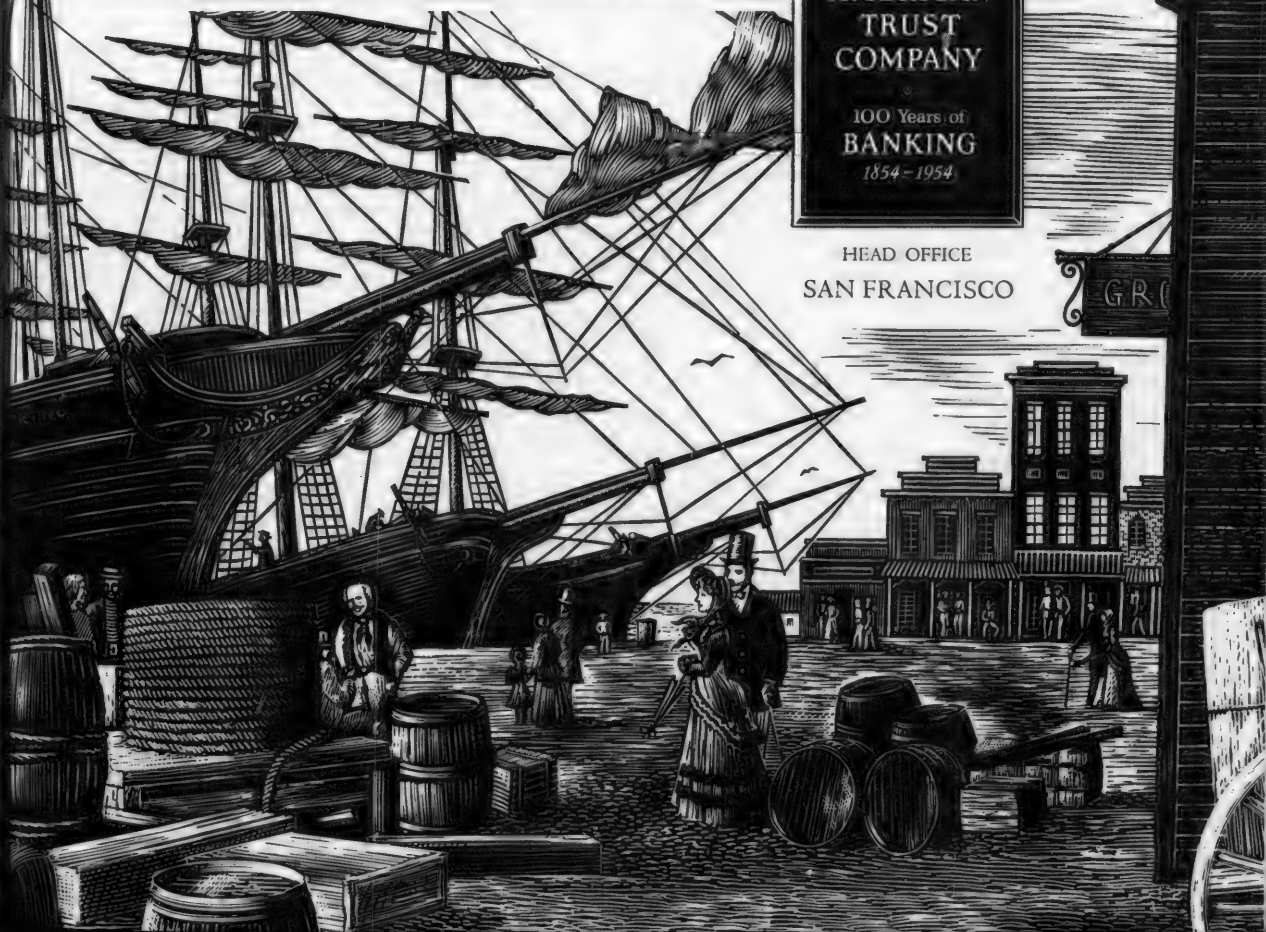
*United States Government and other securities carried at \$149,513,013.38 are pledged to secure U. S. Government Deposits, other public funds, trust deposits, and for other purposes as required or permitted by law.*

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

AMERICAN  
TRUST  
COMPANY

100 Years of  
BANKING  
1854-1954

HEAD OFFICE  
SAN FRANCISCO





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## The OUTLOOK and CONDITION OF BUSINESS

FOR more than a year the dollar and business generally have been moving along on a fairly even keel. This would be a noteworthy achievement at any time, but is particularly so in this tempestuous epoch when the world has almost forgotten the meaning of stability.

A great deal of credit must go to monetary management because the Government has become such an important factor in all business calculations. A year is not long as history goes, but, if this is a fair sample of what to expect from the monetary managers, it is the most important single fact in the whole business outlook and goes far to explain the return of confidence here and abroad.

During the past year the level of consumer prices for food, apparel, transportation and housing has varied less than 1%, according to Department of Labor statistics. Rent was the only item that changed appreciably because of decontrol; it rose from 123.8 to 128, using the 1947-49 average as 100.

Wholesale prices showed similar stability. The index for all commodities remained between 110 and 111 throughout a year marked by huge reductions in taxes and government spending, drastic steps to unshackle business inventory readjustment on a major scale, alternate threats of inflation and deflation, and unpredictable international tensions of every sort.

Individual commodity prices, of course, are a problem. Huge new crops of grain are growing, predicted to be the third largest harvest in history. They will create price support and storage problems for the Government. Hog prices, high now, are expected to crack.

We seem to be turning in a better performance of world leadership economically than politically, which may help explain a curious intellectual phenomenon we see in the papers every day. On the front pages the world has been going to the dogs daily including Sunday, while on the business pages we have been fairly happy and filled with reasonably bright expectations.

Perhaps someone will find a way to apply some of

our technical, financial and merchandising skill to the problem of foreign relations.

### Buoyancy

The overall economic business pattern at the beginning of the second half of 1954 is one of buoyancy, quite contrary to the beginning of the year, when a good deal of skepticism prevailed. Domestic indications are much better than foreign, but together they promise that 1954 will be a good year, one of the best in our history.

There has been a decrease in unemployment, and the number of persons employed is again more than 61,000,000. While this is mostly caused by the rise in outdoor activities at this time of the year, the Federal Reserve Board's index of industrial production also rose 2 points in May instead of showing the usual decline.

With all these obvious signs of improvement, the Federal Reserve authorities saw fit to reduce reserve requirements. Why? Because it was the consensus in Washington that the upturn was not big enough. It was not up to expectations and the feeling was that a greater gain in activity late this summer or early fall would be stimulated by a greater abundance of lendable and investable funds.

A surprise has been the increase of savings in all categories, cash, Savings Bonds, and life insurance. They are potential purchasing power.

Perhaps the most inflationary factor in the domestic economy today is the slow but steady increase in wages. The recent rise in steel workers' wages was negotiated without a strike test. It led to an increase of \$3 a ton in the price of steel. Factory wages, generally, are at a new high of \$1.81 an hour, on the average.

Still more of the same may be expected in the months and years ahead. The 35-hour week, in place of the 40-hour week, is being advanced by the unions these days as a way to provide jobs for still more workers. Aircraft and packinghouse companies are presently

(CONTINUED ON PAGE 144)

# Explaining BANKS to the PUBLIC

*The Massachusetts Bankers Association has devised a flannelboard presentation of banking that is off to a promising start*

THE underlying objective of banking today is to hold in the public's mind the high place that this industry rightfully deserves. It is appalling to consider the complete disregard by the public and, I might add, some members of our own institutions, of the importance banking has for the economic well-being of every American.

The first thought of our public relations committee was to start a vigorous program of speaking assignments directed to the fact that much of the progress of this country would not have been possible without the backing of the banks. We found that, due to the lack of understanding of the barest fundamentals of banking, it would be necessary to come up with a major educational effort on elementary banking, then proceed with the former idea.

Thus the flannelboard talk was born. The original set was crudely drawn up and presented to a labor group outside of Boston, and shortly

EDWARD R. TUFTS

*The author is executive secretary of the Massachusetts Bankers Association.*

thereafter to one of the suburban schools. The results were excellent from both sides, for on the one hand we found several glaring errors of omission in the talk, and on the other hand we cleared up many commonly misunderstood facts about banking.

For instance, as a result of the first talk, we convinced the labor group that: one, the banker was working for the community, not just industry; two, the matter of bank earnings, profits, and salaries, particularly at the top level, are not what most people expect. A very prominent member of this group, who enjoys a high political office, afterward made the statement that the banks really had their troubles and could use some help. This en-

couraging reaction was all that was needed to revise our charts and talk to rectify the omissions. As secretary, and with an inside track on the subject, I proceeded to set up the new charts and write the accompanying script.

Very simply, this presentation consists of six charts. Each chart contains a number of pictorial symbols, illustrating the functions of a bank.

CHART ONE—entitled *What Is a Bank?*—very briefly but descriptively illustrates the exchange of money and credit and how this exchange is controlled by the Community Banks; it describes the types of banks and gives a definition of the word "bank."

CHART TWO—entitled *The Banking Function*—takes you inside the bank to find out, a bit more in detail, the various functions of the bank, such as deposits, loans, the bank's assistance to Government, investments, trust functions, etc.

CHART THREE—entitled *The Checking Account*—introduces you to Mr. Checkbook, who tells you who can have an account, and the value of having a checking account. This chart effectively explains the need of service charges and the various steps that a check must go through from the time it is drawn until it is returned in the month-end statement. Then there is a very effective presentation of how a check should be made out properly.

CHART FOUR—entitled *Loans*—goes into the lending function of the bank, explaining why banks make loans, and, because the money is primarily the depositor's money, why they must determine the risk before they can grant the loan. It points out that, when the bank finds it necessary to say "No," there is absolutely no reflection on the applicant, but rather that the applicant is already carrying a heavy financial burden and obviously any

(CONTINUED ON PAGE 141)

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## A.B.A. Plans Flannelboard Program

THE A.B.A. Public Relations Council recognizes the importance and potentialities of "flannelboard communication" as a visual technique for telling the banking story to various adult and student publics. Consequently, it has purchased a flannelboard unit and is now preparing experimental material on "A Public Relations Blueprint for Banks" for use by Council staff members.

Assuming that sufficient interest exists among state associations and individual banks, the Council plans to be helpful in the national development of this program through preparation of other "presentations" and possibly through purchase of flannelboard units in bulk. Such Council assistance will give state associations and banks the benefits of lower cost and a continuing source of material.

In the fall, the Council will release a new "speech program" comprising talks suitable for banker delivery to all segments of the public, and covering virtually all facets of money and banking. Most of these speech subjects will serve as a logical basis for the production of flannelboard material. Typical titles will include: *Your Stake in Sound Money, It Pays to Save, Using Your Commercial Bank, The Story of Money and Credit, and Banks in Action.*

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CHART 1—What Is a Bank?



CHART 2—The Banking Function

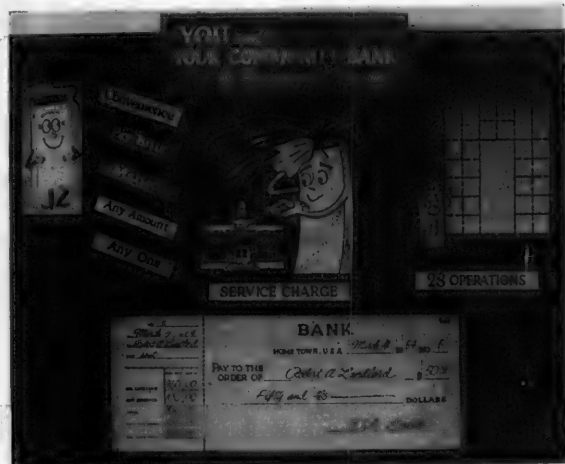


CHART 3—The Checking Account



CHART 4—Loans



CHART 5—You Are the Bank

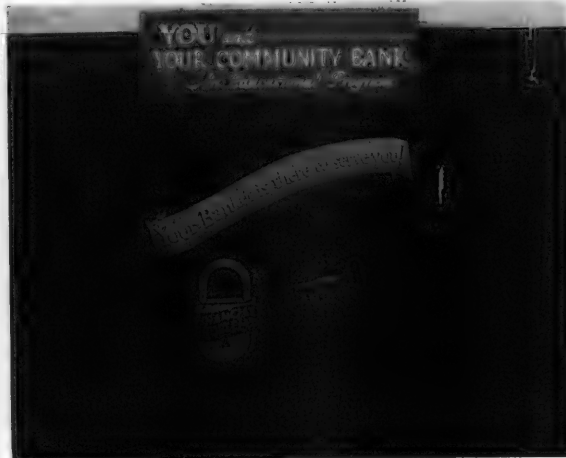


CHART 6—The Lock and Key

# Washington

*Federal Reserve policy . . . . Banking legislation . . . . Holding companies . . . . SBA lending . . . . Deficit and spending . . . . New Treasury posts . . . . Eximbank*

## LAWRENCE STAFFORD

**I**N cutting required bank reserves by \$1,555,000,000 between the latter part of June and the present, the Federal Reserve Board has given another example of its use of the flexible credit policy.

Anticipating the summer upturn in bank borrowing, the Board noted that there would be a need for loans to finance, among other things, the marketing of crops and the replenishment of retail stocks in advance of the fall and Christmas sales season.

Summer is normally a time of stability, and the action was taken with every expectation of that stability. The production index was steady to slightly rising, and no setbacks in the business outlook were visible when the action was taken.

So one interpretation which it is believed can be attached to the Board's action is that it was affirming its faith in the projected seasonal rise in the demand for bank loans.

(Reserves on all member bank time deposits went down to 5% from 6% as of June 24, except at country banks, when the reduction was effective as of June 16. There was also a cut of one point to 21% in demand deposit reserves at banks in central reserve cities. On July 29 there became effective, at central reserve and reserve city member banks, a 1-point drop, while as of August 1 the requirements dropped a point at country banks.)

There was another factor, the projected Treasury borrowing of new money for its cash deficit needs. Under the policy of active ease which has been under way for a year, it has been taken for granted that banks would be placed in funds so

they could handle the Treasury's needs without hampering their capacity to serve their customers in a period which is not inflationary.

By its announcement in late June, therefore, the Board gave advance notice that the volume of credit would be adequate for both the seasonal loan demand and Treasury borrowing.

In its formal announcement the Board indicated clearly it was retaining its flexibility of action. After noting the established policy that changes in reserve requirements are made with relative infrequency (the last previous one was announced June 24, 1953), the Board observed that "for more flexible and frequent adjustments to the credit needs of the economy, the System relies chiefly upon open market operations to release or absorb reserve funds."

Implicit in this phraseology is the idea that, should the anticipated seasonal loan demand fail to reach expectations, the System would then sell Government securities. So as a corollary, it is made clear that the Federal Reserve System has not returned to a policy of forced ease, and that a "sloppy" money market will not be created.

Conversely, under the policy of active ease, flexibility will permit the System to purchase in the open market if the loan demand is unusually strong and is unaccompanied by an overall inflationary outlook.

### Has Longer-Term Aspect

There is a longer term aspect, however, in the Board's current action lowering required reserves than is involved in the presently foreseeable monetary and economic outlook. In that connection the following paragraph from the Board's announcement appears to have significance:

"The Board is allowed by law to fix reserve requirements within the following limits: on demand deposits, for central reserve city banks, 13 to 26%; for reserve city banks, 10 to 20%; for country banks, 7 to 14%; on time deposits for all member banks, from 3 to 6%."

With the action now completed on requirements, they stand on checking deposits at 20% for central reserve cities (against the maximum of 26%); at reserve cities, at 18% (against a maximum of 20%); at country banks at 12% (against a maximum of 14%). On time deposits they stand now at 5%, (against a permissible maximum under the law of 6%).

In other words, what the Board seems to be saying is that the requirements after the reduction are still well on the high side of the range.

### Peacetime Reserves

For a long time the Board has felt that the higher requirements of the past decade or so were creatures of wars, national emergencies, and threatened inflation; that, if the country is to continue on a peacetime basis, very high reserve requirements are not something which should be looked upon as normal.

(For a more complete discussion of the Board's thinking about the need for lower reserves in peacetime, see "Washington" in the April issue of *BANKING*.)

In other words, the growth of the American economy must come from Government-stimulated spending, credit guarantees, and other devices, the offshoots of one emergency or another; or the stimulus must come from the private enterprise system.

It is believed, therefore, that for a considerable period the Board has

sought to move as a matter of principle, even if slowly, in the direction of a lower level of required bank reserves. There have always been timing obstacles to such action. The one, that it might be taken as a sign of worsening national economy, has been allayed by the movement of the indexes in the early summer. The other, that there might be a new emergency, seemed to be allayed when to any "prudent person" it became apparent that America's principal UN allies would not participate in a military endeavor to stop the Reds in Indochina.

### Passes Banking Bills

Congress passed four bills relating to banking.

One of these continued the authority of the Treasury to borrow directly from the Federal Reserve, for a period of two years or until June 30, 1956. The maximum amount outstanding is limited to \$5-billion. Purpose of the legislation, as the House Banking committee report explained it, is to enable the Federal Reserve and Treasury to cooperate in minimizing the disturbing effects of short-run peaks in Treasury cash receipts and disbursements.

Another bill would repeal the provision of law which prohibits a Federal Reserve bank from paying out the notes of another Federal Reserve bank. Under this law, now repealed, whenever a Federal Reserve bank received the notes of another such bank, it was required to ship them to the Federal Reserve bank of issue.

Banks' authority to own affiliates devoted entirely to owning the bank's premises, was clarified by another amendment adopted by both houses.

Under the provisions of another bill, the real estate loan limits placed upon national banks are waived when a bank participates with the Small Business Administration on a loan secured by real estate.

### Disagree on Cumulative Voting

When the majority of the Senate Banking committee reported out a bill to permit shareholders of national banks to amend their articles to provide for the abolition or retention of cumulative voting, as they chose, for bank directors, the majority ran into opposition.

Senators Herbert H. Lehman of

New York and Paul H. Douglas of Illinois, both Democrats, submitted a minority report.

"Your committee was informed," said the majority report, "that nearly all banks attempt to attract and place on their boards men who are of the highest standing in the community and in whom the people are willing to repose their trust. The device of cumulative voting has been used at times to place on the boards unqualified individuals, or those whose motives or interest are in conflict to the best interest of the community. The responsibilities of the directors of a bank are such that discord and friction of that group are likely to lessen the confidence of the public in the institution."

The two Democratic Senators, on the other hand, declared that a case had not been made at the hearings

for doing away with mandatory cumulative voting of national bank shares.

"Naturally there have been cases where the election of a director by the cumulative method has introduced divergent ideas and possibly discord into a board of directors. Most often this is all to the good. Too often the directors are hand-picked, favorable to the management, and possess no tendency to assert real direction or policy," said the minority report.

### Postal Savings Liquidation Fails

Despite the best of intentions, the project of the House Post Office Committee to take up and consider the bill to liquidate the Postal Savings System over a three-year period had to be abandoned because of the lack of time. (TURN PAGE)

## HAVE YOU SEEN . . . . .

(1) An analysis of cumulative voting of national bank shares, and the arguments for and against this practice. Write to the Senate Banking Committee, Senate Office Building, Washington, D. C., for a copy of Senate Report No. 1629, 83rd Congress, 2nd Session.

\* \* \*

(2) The closely-written text of the Federal Reserve Board's announcement announcing the details and philosophy of the lower required reserves. Write to the Board of Governors, Federal Reserve System, Washington 25, D. C., for the Board's "Statement to the Press" of June 21.

\* \* \*

(3) A detailed explanation of the Treasury's cash operations for fiscal 1954 compared with fiscal '53. Write to the Information Service, Treasury Department, Washington 25, D. C., for a copy of the "Memorandum to the Press" of July 6, 1954, and accompanying "Daily Statement of the United States Treasury" for June 30, 1954.

\* \* \*

(4) The official explanation for the need for creating the new post of Under Secretary of the Treasury for Monetary Affairs, and a new Assistant Secretary of the Treasury. Write to the Committee on Finance, United States Senate, Washington, D. C., for Senate Report No. 1704 of the 83rd Congress, 2nd Session.

\* \* \*

(5) Two releases which show how FHA has been evolving since the "housing scandals" were first talked about publicly in April.

(a) FHA Press release No. 54-43 which will be of especial interest to real estate loan officers of banks, discusses changes in the organizational set-up for the 75 field FHA offices.

(b) A discussion of "Actions taken since April 14, 1954, to strengthen the operations of FHA," including the paring down of objectives of Title I loans.

Both may be obtained by writing to the Commissioner, Federal Housing Administration, Washington 25, D. C.

## Eximbank Recovering Old Look

HERBERT BRATTER

UNDER the determined bipartisan sponsorship of Senators Capehart and Maybank, flying the banner of Senate Resolution 25, and following some unique study steps, the Export-Import Bank is emerging reinvigorated and enlarged. As one of its early actions in 1953, the Republican Administration demoted the \$4.5-billion bank, cancelled its membership in the National Advisory Council on international financial affairs, scrapped its board of directors in favor of a chain-of-command organization under a single administrator who would look to the Treasury for his cues, and emphasized that prime responsibility for development loans rests on the international bank of that name. Accordingly the Eximbank emerged with a "new look."

WHEN General Glen E. Edgerton of Kansas was up for confirmation as managing director, the two senior members of the Senate Banking Committee made known their intention to probe Eximbank's secrets, and the World Bank's as well. Both banks rendered the committee overwhelming cooperation, although the IBRD, as a supranational body, could not be commanded by the Congress. Examination of the committee's 648-page interim report, which followed a tour of Latin America, and the 895 printed pages of hearings, including considerable banker testimony, reveal more than can be outlined in this short space. The main thing is to note the results: an enlarged, \$5-billion bank, restored to a seat on the NAC and equipped with a full-time board of five.

During the June hearings, Gen. Edgerton revealed that the Eximbank, whose resources are being replenished by payments on outstanding loans, had about \$1-billion of unused lending power. He testified that, with the expanded resources being given the institution, it would still carry on with the same lending standards heretofore maintained. This brought him a lecture from the chairman, Sen. Capehart. "Let me say, General," the Senator admonished, "it is our intention as a result of this legislation—we don't want you to make soft loans—that you will make more good loans. I think

we might just as well have that understood now. We are going to make a record as we go along on the floor of the Senate, in the colloquies, that it is the intention of this Congress that you make more loans and be more active than you have been in the last 12 months. . . . It is the intention of Congress that the Export-Import Bank become a very active and aggressive organization to assist not only our own exporters but assist friendly countries in building up their production."

WE may therefore look for stepped-up Eximbank exporter credits in coming months. The stepping up has the endorsement of export interests and commercial banks, notably because our exporters are feeling the competitive force of still other "friendly countries" whose productive ability we have restored and fortified with Marshall Plan billions, productivity teams, and the like. Germany, France, Britain, and others are out to recover their pre-war place in the world's export trade and, with their monetary reserves strengthened by sustenance from Washington, they are reportedly offering durable goods on credit terms which American commercial banks, for various reasons, cannot duplicate. Such, at least, is what Congress hears.

IT may be difficult to follow Sen. Capehart when he whips up Eximbank lending in the name of "trade, not aid," but there can be no ambiguity when he says: "We are not going to permit anyone to sabotage the Export-Import Bank," or "We don't want to rely upon the international bank."

Just what lies ahead for this \$5-billion baby we don't venture to predict, other than that economic circumstances of themselves suggest increased exporter credits and guarantees by the EIB. Whether the bank will rock the boat in the NAC we question. W. Randolph Burgess regards the 5-man board as essentially "administrative," not policy-making.

And remember: The Banking Committee "will not forget about the bank once the bill has cleared Congress."

Chairman Edward H. Rees (R., Kans.) of that committee, is widely regarded as a friend of the private enterprise system and an individual who would be disposed to favor legislation getting Government out of business.

The committee, however, is officially the "Post Office and Civil Service" committee, and it had to deal with many proposals for laws affecting the civil service and the pay of postal and other Federal employees.

There was another factor besides the pressure of other business and the approach of adjournment. The Post Office department itself made it very clear to the committee that it was not anxious to have a bill passed setting a cut-off date on the taking of new postal savings and putting the Postal Savings System into liquidation.

Post Office Department officials, according to reports, explained that postal savings deposits were on the decline and that there was no particular need for the legislation.

### Deposits Decline Slowly

Official figures show that postal savings deposits at the end of 1947 amounted to a peak of \$3,392,000,000, and declined to \$2,270,000,000 at the end of May 1954, almost seven fiscal years later.

This works out to be a decline, roughly, of \$160,000,000 per year. At this rate of decline, postal savings would liquidate themselves voluntarily in some 14 or 15 years—if a later administration did not do something, or economic circumstances change, to revive this Government-in-business activity.

### Seek Holding Company Action Next Year

When representatives of the bank holding companies were called in for testimony on legislation to regulate further such companies and provide for their divestment of ownership of non-banking assets, it appeared that the chances of agreement on such legislation had diminished, rather than increased, in the 12 months since the Senate Banking committee previously considered that subject.

For instance, Frank N. Belgrano, Jr., president and chairman of the board of Transamerica Corp., declared that there had been no show-

(CONTINUED ON PAGE 116)



# We Could Eat That Surplus!

*High, Rigid Supports*

*Actually Give the Farmer*

*Too Little*

*Rather Than Too Much*

**EZRA TAFT BENSON**

Secretary of Agriculture



UNITED PRESS

Mr. Benson

**T**HE record-breaking pile-up of surplus farm commodities in Government storage stems in part from the failure of our Federal price support program to recognize the continuing changes in the eating habits of the American people.

Existing legislation places too much emphasis upon high, rigid price props for a few selected commodities such as wheat and corn. The result is mounting surpluses of these grains for which there is a dwindling demand as human food. Converted into such popular items as beef, pork, poultry and eggs, these excessive grain reserves would disappear far more rapidly. The housewife is clearly demonstrating

through her daily purchases that she prefers and will pay for more of these choice foods.

Yet high price supports run directly counter to this change in dietary habits. The Government is outbidding the livestock and poultry producer, with the result that grain piles up in warehouses rather than on dining tables in the form of meat and eggs.

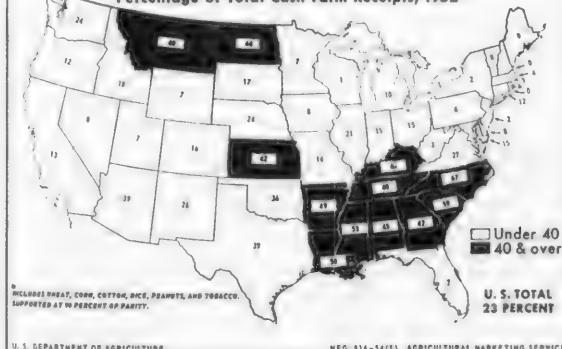
Certainly it is a cardinal rule of successful merchandising to give customers what they want. Although our present farm program taxes consumers for abundant production, high price supports also deny them the benefits of that abundance by locking it up in storage.

Changes in the American diet have not resulted in the consumption of more pounds of food per capita but the types and quality are radically different from what they were a few decades ago. Last year, for example, the average American ate 223 more pounds of such foods as beef, eggs, fish, certain dairy products, fruits and vegetables than in 1909. He offset this by eating 222 fewer pounds of grain products and potatoes. Meanwhile, we go merrily on our way with a farm program geared to the dietary preferences of another generation.

Our carryover of corn next October 1 is estimated at 950,000,000 bushels—more than double what it

## CASH RECEIPTS FROM BASIC COMMODITIES\*

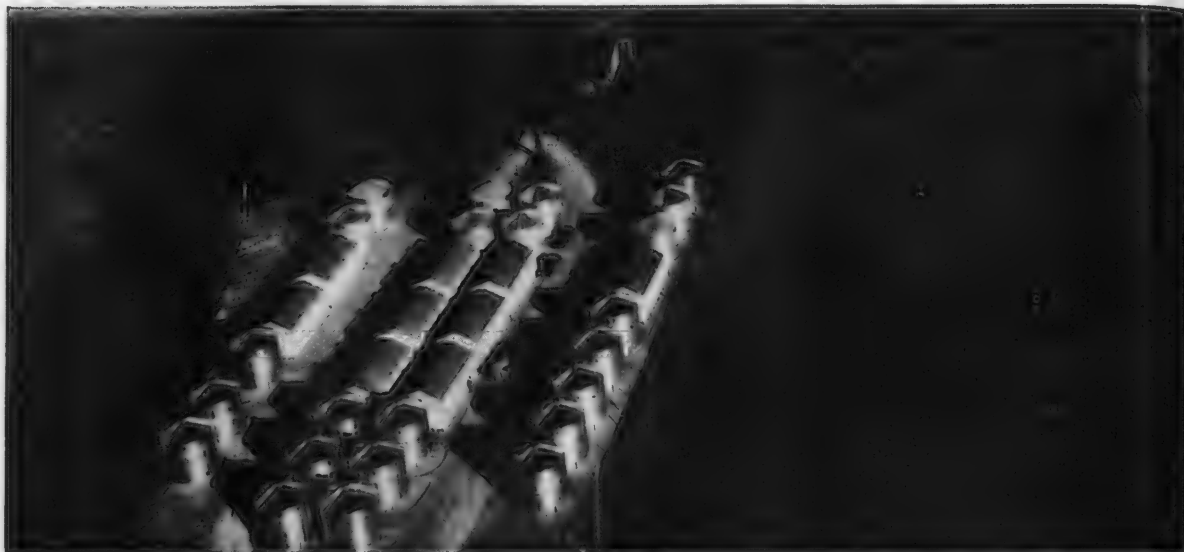
Percentage of Total Cash Farm Receipts, 1952



## CASH RECEIPTS FROM NONSUPPORTED COMMODITIES\*

Percentage of Total Cash Farm Receipts, 1952





CCC corn storage bins in Iowa

was two years earlier. This increase, had it been consumed as feed, would have resulted in 2 to 3% more meat and eggs.

From a nutritional point of view, the public could well have absorbed this without even letting out a notch in the national belt. In the form of corn, however, this same grain is giving both our cash markets and our storage facilities a bad case of indigestion.

With more flexibility in our support prices for corn, most of this current surplus would have disappeared. Increased marketing receipts from livestock would largely offset the payments farmers now get by way of nonrecourse loans. Our agricultural economy would be healthier. And the Government currently would not have some \$1.2-billion tied up in corn price supports.

### The Wheat Glut

In the case of wheat, we have stimulated even greater production for Government storage. On July 1, as the new crop begins moving to market, we shall have on hand from previous years an estimated 875,000,000 bushels of wheat—enough to supply our total domestic needs, plus our foreseeable exports, for the next 12 months.

The Government now has nearly \$2¼-billion committed to wheat price support operations in an effort to maintain the return to farmers at 90% of parity. Despite this huge outlay, wheat is currently bringing

only 80% of parity in the market.

There must be some significance in the fact that most of the farm commodities in serious difficulties today are the ones which we have attempted to support at 90% of parity. They include wheat, cotton, corn, and dairy products. Of the approximately \$6½-billion which Commodity Credit Corporation has committed to price support operations, more than \$5-billion is tied up in these four items.

### A Source of Concern

Producers of other crops, which enjoy no price supports at all or get help on a more limited basis, are beginning to express some concern over the effects of a farm program which places most of the emphasis upon a few commodities. They see particular danger that the acres diverted from such crops as wheat, corn, and cotton are being planted to the nonsupported commodities in which they have been specializing.

Despite the emphasis which our programs place upon the six basic commodities—and the present controversy centers mainly around the question of rigid versus flexible supports for these crops—they produce only 23% of farmers' cash marketing receipts. (See accompanying maps.) Fifty-six percent of the nation's farm income is derived from commodities which have no direct price supports at all. The other 21% comes from products already supported on a flexible basis.

Farmers who buy price-supported feeds and sell hogs, cattle, poultry and eggs on a free market are often inclined to take a rather dim view of our current operations. For the most part, they don't want price support programs themselves and they feel that if other groups favor such aids there should at least be a realistic amount of flexibility in the operations.

The fact that there are obvious defects in the present programs does not prove by any means that the principle of price supports is either unsound or unworkable. I believe we need such programs. Soundly conceived and properly administered, they can be of as much benefit to consumers as to farmers. They can help to assure an abundant supply of food and fiber at reasonable prices. They can protect farmers against violent fluctuations in income. They can be of great benefit as aids to farmers in the orderly marketing of many commodities.

### Supports Give Too Little

My own quarrel with high, rigid supports is not that they give the farmer too much but that in actual practice they give him too little. In the long run they take from him more than he receives. They encourage him to deplete his soil. They saddle the markets with price-depressing surpluses which give him no opportunity to realize full parity for his products. They destroy the

(CONTINUED ON PAGE 78)

# The Month



HARRIS & EWING

**CAPITAL NEWS (left)**—The yardage of news from Washington falls off drastically with the adjournment of Congress. However, the White House never adjourns, and the President will continue his press conferences either in Washington or on a vacation golf links. He is shown here with Press Secretary James C. Hagerty (*center*) and Assistant Press Secretary Murray Snyder. The last days of the Congressional session were so crowded with legislative news that it was difficult to know the day-to-day status of many bills. A roundup, as of press time, appears in "Washington," page 36. In general, the President got some action on well over half of his legislative requests, but much of the resulting legislation appears to give the form rather than the substance of what he asked. He got a few clearcut victories, but they were more than balanced by flat refusals of action



UNITED PRESS

**LULL AT GENEVA (above left)**—While the peace talks at Geneva were grinding on and on, Red China's Foreign Minister Chou En-Lai paid a political visit to his "neutral" friend, Prime Minister Nehru of India. The Red minister is shown above, in civilian clothes, inspecting an Indian guard of honor. He returned to Geneva to make an hysterical attack on the "warmongering" U. S. His Indian visit was reported most friendly, although his hosts knew that next door there was



UNITED PRESS

**NO LULL IN INDOCHINA (above right)**—"Peace talks" have been going on at Trunggia, the Indochinese equivalent of Korea's Panmunjom, but the fighting continued, Red Forces gaining slowly with the help of vast quantities of war goods reported still pouring in from Red China to the north. In spite of this our allies clung to their hopes of "peaceful coexistence," although, as far as Red China's UN membership was concerned, there was official British approval of

**TEMPORARY POSTPONEMENT (right)**—Prime Minister Churchill, after a not too fruitful visit on Pennsylvania Ave., barred action now on a UN seat for Red China, although in his same, highly effective Commons speech he hinted how milder behavior might earn the Reds reconsideration later on. He favored some kind of defense system for Southeast Asia. Senate Republican Leader Knowland, who earlier had insisted the U. S. withdraw from the UN if Red China should be admitted, modified his stand. Both Senate and House voiced strong disapproval of Red admittance but without threats of automatic action by the U. S. Government



HARRIS & EWING

# METHODS and IDEAS

## Operating Procedures

*Here are some operations and management ideas expressed by speakers at the recent American Institute of Banking convention.*

### Train Young Credit Men

WITH the economy returning to more normal levels, it's imperative to train young bank credit men. Since the war the men who will succeed the present senior loan officers have been working under ideal economic conditions. The prevailing inflationary pressures made even poorly managed businesses profitable; and under these circumstances how could a credit man make a bad loan?

The banker's primary responsibility is to safeguard depositors' funds by maintaining adequate cash reserves, a sound investment portfolio, and a prudent loan policy. Second is the responsibility to employ the funds allocated for lending or investing in serving legitimate credit needs and the development of the American community at all levels. Third is the responsibility to run an effective, businesslike institution.

Certainly a man who is risking the deposits of his bank every day must understand the depositor's view and his importance to the bank. He must recognize the necessity for good customer relations as well as bank operations. He must know what makes up the bank's income and expense statement and recognize the importance of the interest earned on the money he lends.

If our credit man understands all of these functions, he may then be classed as an all-round banker.

It takes trained men to carry out a credit policy. Our economy in the months ahead, so far as the banking

business is concerned, could well be such as will separate the men from the boys.—J. F. HOLMAN, assistant vice-president, American Trust Company, Oakland, Cal.

### Time-Saving Electronics

USE of television at public counters, together with other electronic equipment now available, can cut down the time a bank customer must spend at the teller's window to an average of 10 seconds for a deposit and 35 seconds for a withdrawal.

Electronics, as applied to mechanical accounting, has now been developed to a point where its installation provides an economic gain as well as safer and more accurate records, even for the smaller banks. The principal advantage is faster service, in addition to mechanical accounting which starts at the public counter and is automatically completed in the accounting department, even though the latter is some distance away.—LEONARD P. CHAMBERLAIN, auditor, The Provident Institution for Savings, Boston, Mass.

### Management Reserves

ADEQUATE reserves of qualified, seasoned personnel must be available to fill all the levels of management if banks expect to continue to grow. The greatest problem lies in the 12,000 to 13,000 banks of \$25,000,000 or less.

Each bank should analyze its own picture, and if it has a problem, recognize it immediately. Then it should break the problem down into posi-

tions needing replacement soon; review the entire staff and evaluate individuals who are candidates for development; and then take immediate action to make acquisitions from the outside, if necessary, both for specific, specialized positions and for general managerial jobs.

Top management must reach out for good men—recruit if necessary. But don't fail to "recognize" those you have. Banks have plenty of young men of executive caliber; they must be recognized, held and given a chance to develop.

Management responsibility requires a large measure of individual action and initiative. The development program should include only those who have shown these basic requirements.—THADDEUS C. Cox, vice-president, Union Trust Company, Washington, D. C.

### Reports System Is Helpful

A WELL developed system of reports is an invaluable aid to bank management in formulating policies. It will not only tell what the results have been, what trends are becoming clear, and what present indications are, but it will also forecast with a high degree of validity what can be expected in the future.

One program that has merit begins at the February meeting of the board where a staff officer makes a summary report on the past year. This covers all activities of the bank, and must be quite condensed. It can be effectively presented with large signs or by projecting slides.

Such a general presentation to the board should be followed at subsequent meetings by the department heads. These reports are also most

*"Methods and Ideas," including "Public Relations," is edited by JOHN L. COOLEY of BANKING's staff.*



effective if built around a visual presentation; they will briefly repeat the summary at the earlier meeting and then go into more detail.

The staff officer who made the first, general report would normally be in charge of the department which has at least some of the usual duties of a comptroller. In any event, he would be an officer responsible directly to the chief executive. Reports made by operating department heads would be prepared by them, but all statistics must be provided by the staff office.

Operating officers would receive reports more frequently than would the board.—FRED C. DELONG, assistant vice-president, Mellon National Bank & Trust Company, Pittsburgh.

### Dr. Banker

A BANKER must take time for small new businesses that have promise. He must guide them in their thinking toward sound fundamentals and business principles. They will be our best customers of the future.

Obviously, most of these businesses start on hope and ambition—with a dreadful lack of knowledge and know-how. That's why one-third fail in the first year, another 14% or 15% in the second year, and as high as 70% by the end of five years. These are figures a bank loan officer must ponder.

We must be constructive—analyze the firms that get into trouble. If they're worth saving, our approach should be as a "doctor," not as an "undertaker." As bankers we must give thought and constant study to the causes of business ills, and more study to their causes. It's simple, when a borrower gets into trouble, to deliver the coup de grace and liquidate what remains, salving our conscience with the old bromide, "The first loss in the smallest." Some bankers, for lack of courage or possible lack of knowledge, constantly follow that practice.

The real loan executive is one who can assist in seeing that a sound plan is carried out for saving a business, if possible.

There is more to being a banker than loaning money and analyzing financial statements. More often than not, advice and counsel is more needed than loans. A banker just cannot know too much about his

customers' business. Financing of growth companies is his greatest challenge.—TED W. JOHNSON, vice-president, Security-First National Bank of Los Angeles, and president, Robert Morris Associates.

### Proof Department

A THREE-POINT program for the improvement of internal operations—"Scrutinize, Analyze, Mechanize"—was suggested by G. Ed-

ward Cooper, vice-president and comptroller, The Philadelphia National Bank, at a National Association of Bank Auditors and Comptrollers conference. He showed how the program might work out in the proof and transit operation.

The first step, he said, is a survey of the present operation.

It is helpful in the analysis to review the present method step by step (CONTINUED ON PAGE 102)

### "Doing More by Working Smarter"

WHEN the STATE-PLANTERS BANK AND TRUST COMPANY of Richmond, Va., installed the punch card system in its consumer credit department, one of the bank's executives explained the change to the staff in an article published in the employee publication, *No Protest*.

The writer, Moncure P. Patteson, vice-president and cashier, handled the subject in a forthright and understanding way, and we thought his presentation might be of interest to other bankers who have charge of operations and personnel. Here it is:

#### The Effect of Machines on Jobs

If you have heard a rumor lately, it is true. The State-Planters Bank is going to install punch card equipment which will be used by the consumer credit department to do much of its work. In time, it is probable that this department will be enlarged to do other things, but when this will be done is a big question and is certainly as much as a year in the future.

Naturally, a development of this kind raises a question as to its effect on jobs here and, as we view it, the only things that can be said are good.

If banks had not taken advantage of similar developments in the machine field, we would be operating today without adding machines, typewriters, calculators, or proof machines. Paper, pens, and ink would be the only tools available to do all of the work, and our large departments such as bookkeeping and transit would occupy many floors and the work would be tedious and monotonous. Moreover, the costs of doing banking would be so great that few people could afford a bank account. These machines have made an account available to almost everyone at a small cost.

The standard of living of any people is the sum total of the goods or services they produce. Skilled workers produce more than unskilled workers; all of which

brings about lower costs and allows more people to enjoy the results of this greater production. Years ago, the introduction of the automobile as a substitute for the horse and buggy was fought by those who made wagons and carriages, and by blacksmiths, all of whom saw a threat to their jobs. But the automobile now directly or indirectly gives employment to almost as many people as there were in the country when the auto was first invented. Today, with modern machinery, fewer farmers produce enough food for 40,000,000 more people than 15 years ago.

What we hope to obtain out of punch card equipment will be: (1) A reduction of the monotonous work in banking; (2) greater production per person with less physical effort; (3) ultimately lower cost for banking service, or the same thing, a smaller increase in costs than in other things; (4) more skilled jobs for our people which should permit some upgrading; (5) to do some things which are desirable, but not practical now.

We believe that the growth of the bank will take care of any jobs that are replaced by machines, and the chances are that we will continue to need additional people to care for future business.

In summary, we are trying to do more, not by working harder, but by working smarter.

# Public Relations

*Advertising . . . Promotion . . . Business Development . . .  
Community Relations*

## "Banker, Spare That Clock!"

SECURITY NATIONAL BANK of Greensboro, N. C., has an old clock on its building in Raleigh. A bid for modernizing the timekeeper seemed a little high, so President C. M. Vanstory, Jr., asked his ad agency, Bradham & Company:

"Do the people in Raleigh appreciate this clock? How about setting up an ad and letting them vote on it?"

"We took the ball thrown by Mr. Vanstory," George W. Bradham tells BANKING, "and worked up the idea. Result? The most amazing returns we've ever encountered in financial advertising.

"The first ad broke on a Sunday. The next day 756 people came in the bank and voted. During the week a total of 2,567 voted—all for the clock except three. Many letters were received, some from places as far away as Norfolk, Va.

"Many strangers came into the bank to vote and comment on the

This ad asked the people of Raleigh to vote on whether the Security National should modernize the clock or take it down. Ballots similar to the one shown here were widely distributed—and the pro-clock vote was overwhelming

**People of Raleigh . . .  
CAST YOUR VOTE!  
Shall the Clock Go . . . or Stay?**

Familiar with the clock on the building at Greensboro, N.C. (Photo shows the clock on the building in Raleigh, N.C.)

We are now holding a contest. The clock on the building at Greensboro, N.C. (Photo shows the clock on the building in Raleigh, N.C.)

Will you please help us decide whether the clock should be modernized or taken down? Please fill in the box and put it in the box at the bottom of the page.

Will you please help us decide whether the clock should be modernized or taken down? Please fill in the box and put it in the box at the bottom of the page.

Will you please help us decide whether the clock should be modernized or taken down? Please fill in the box and put it in the box at the bottom of the page.

**CLOCK BALLOT**

Will you please help us decide whether the clock should be modernized or taken down? Please fill in the box and put it in the box at the bottom of the page.

☐ YES, I want the clock to stay.

☐ NO, I want the clock to be modernized.

Thank you for your vote.

clock. The idea was a prime subject of conversation in Raleigh for over a week."

Here are extracts from some of the pro-clock letters:

"I would surely miss the clock. It does something for a city to have a nice clock right exactly where it is located." "What is wrong with the old clock? I prize it more than anything I know." "It's been Raleigh's guardian of schedules too long not to be loved and cherished down through the years." "Down town would never recover such a loss if 'the clock on the corner' were removed." "If you remove this clock or modernize it too much, I shall move my account with you people."

When the votes were counted the bank ran another ad assuring the public that the clock would be modernized—and kept on the job. "The clock stays up! We bow to your decision," said the copy.

## New Business Contest Brings Big Gain

AN employee new business contest conducted by the BANK OF THE MANHATTAN COMPANY, New York, in a three-month period, brought in 42,190 new accounts, a 350% increase over the same period in the previous year when there was no contest. Volume created by the staff totaled \$28,693,209, which doesn't include large commercial accounts obtained by officers who were ineligible for the contest.

The competition was named "Manhattan Turnpike Campaign," and all employees were invited to help "construct" the road. Offices got quotas of "miles" to build; employees comprised the "construction crews." Each participant won merchandise, depending upon the number of points earned.

Gimmicks used included a lapel button, worn by all employees, imprinted with the figures 57-155 and



As a feature of the open house that marked completion of a renovation project, The Savings Bank of Baltimore displayed \$1,000,000 in a glass case. The pile contained 273,000 notes

25,000. This aroused customers' curiosity and led to questions and conversation. The 57 was the number of the bank's branches, 155 signified the bank's age, and 25,000 was the goal of new accounts.

Results showed 7,696 new special checking accounts (\$1,569,536); 4,033 new regular checking accounts (\$17,886,470); 24,125 thrift accounts (\$4,596,180); 1,827 new safe deposit accounts; 4,508 instalment loans (\$4,638,628). Top winner, Note Teller Carmen Cervino, brought in 455 new accounts, and got a trip to Bermuda for two, or 150,000 points toward merchandise.

President Lawrence C. Marshall commented that the intangible benefits of improved customer-staff relations, improved employee morale and better staff knowledge of the bank's services had been impressive, too.

## A Public Opinion Survey

IN cooperation with the CONNECTICUT BANKERS ASSOCIATION, the marketing research class at the Uni-



The Lincoln Savings Bank of Brooklyn, N. Y., celebrated completion of an extensive modernization by recreating scenes at the time of its opening on June 30, 1866. Costumed actors and actresses portrayed the bank's first customers and staff. Planks and wooden horses were used for counters, simulating operations on that first day when fittings had not been completed. The bank's new quarters contain two murals featuring Abraham Lincoln



California Bank, Los Angeles, is sponsoring three Little League baseball teams. The picture was taken on "California Bank Night" at Gilmore Field, Hollywood, when the bank had as its guests two youngsters from one of the nines, and 700 staff people. Hollywood Stars' manager Bobby Bragan huddles with a juvenile battery while Tom Harmon, CBS West Coast sports director, and Art Aston, the bank's Little League supervisor, watch

versity of Connecticut conducted a public opinion survey of banking in the New London, Groton, and Waterford area. Here are the highlights, as prepared by Samuel C. McMillan, professor of marketing at the University:

1. The public respects the competence with which banking services are conducted by the banking institutions.

2. Belief in this competence seems widespread, in view of the fact that very few gave this as a reason for choosing the particular bank where they do business.

3. Over 90% of the people would prefer to do business with banks when seeking a small loan. For this type of loan banks are the "socially accepted" place to do business.

4. The most important single reason for choosing a bank for a small loan is the "cheaper interest rates"; banks are also an "economically accepted" place to do business.

5. Banks are preferred as the lending agency for the purchase of a car.

6. About 40% of the people use more than one bank.

7. Both men and women are important when it comes to handling the family's banking activities.

8. The savings account was the service used by the largest number of families.

9. About four out of five respondents think working for a bank is a

good job. Among those who think it is not a good job, the main reason was "poor wages." Even among those who think it is a good job the same reason was given as the most serious specific disadvantage.

10. About one out of four people have close friends or relatives working in banks, but the answers given by these respondents are much the same as those given by those who do not have close friends or relatives in banking.

11. Almost half of the people were unable to suggest anything that banks could do to improve their services. "Stay open longer" was mentioned most frequently by those who did have suggestions.

12. Banks and bankers are not looked upon as groups that take the initiative in doing things for the good of the community.

13. Banks, with drug stores, are rated second to grocery stores as a business that goes out of its way to be friendly and helpful.

### Bank-Insurance Cooperation

A PLAN for developing new fields of insurance planning and selling—and stimulating bank business, too—has been tried successfully in Philadelphia.

It's the brokers' forum, conducted by the Massachusetts Mutual Life Insurance Company's general agency

in cooperation with the FIDELITY-PHILADELPHIA TRUST COMPANY. The second forum in the series was held recently.

"As a result of the first forum," says the bank, "the general agents and Fidelity realized a notable upsurge in the use of their services by the public, the agents witnessing more sales and the bank greater activity in estate planning.

"A unique development of the first forum was the birth of a new system which opens countless new avenues to increased insurance sales. The plan, devised by the Miller agency and Fidelity-Philadelphia, affords potential policy holders an opportunity to obtain complete and adequate coverage by means of an unusual and distinctive bank loan specifically designed for the insurance buyer."

### Staff Skits Demonstrate Jobs

CORPORATORS and trustees of the WORONOCO SAVINGS BANK, Westfield, Mass., have a better idea of a "mutual's" operations as the result of a little program staged by the bank's employees.

At an informal meeting of the directing body members of the staff presented a program, "Back of the Scenes at the Woronoco." Each staffer enacted his or her actual job—and a corporator, trustee, or em-



ployee, took the role of customer. Scenes included: new account clerk opening an account for the bank's janitor; auditor consulting bank counsel on out-of-state administration of a savings account; school savings manager answering a mother's questions about her son's lost passbook; opening a safe deposit box; handling savings bank life insurance and GI mortgage applications; processing mortgage loan papers.

Before the skits Executive Vice-president Stanley H. Smith spoke on the work of a savings bank and the responsibilities of trustees and corporators in Massachusetts.

The employees served refreshments.

## "Tell Your Own Folks First"

THE importance of keeping the staff informed on advertising plans was emphasized by Clifton Blackmon, vice-president of the First National Bank in Dallas, in a talk at an American Institute of Banking convention conference.

"Do we keep our advertising plans secret in the advertising department, in the advertising committee, in top management?" he asked.

"Or do we keep all of the employees of our bank fully informed about our advertising and what it is trying to do?"

"Advertising helps to bring people to our bank; then it's up to our employees to do the selling. Knowing about the advertising program in advance will help them do a better selling job. This is why we feel it's important that advertising plans not be kept secret in the advertising department—why we make a strong point of not only telling our own folks but telling all of them first. And we keep on telling them—in mimeographed handouts, through our employees' magazine, at departmental meetings, with bulletin board notices, through the distribution of tearsheets of advertisements.

"Another effective way is to cut a transcription.

"Several months ago we wanted to develop an intensified advertising campaign to accent our slogan and trademark by cross-merchandising the various media we were using at the time. Before launching this coordinated campaign, we gave our

## A Homemade Display for Midsummer

JULIAN MARWELL

*This is the third in a series of "make-it-yourself" articles by a New York builder of displays.*

**A**N effective window display to promote step-saving checking accounts and bank-by-mail in these enervating days of midsummer can be assembled quickly and simply. You'll need:

(1) Wallboard, 1" less than the width and height of the back of your window. Check access doors; you may have to compromise or improvise so it will get through.

(2) Enlarged map of your city, or several road maps of your state, free at any gas station.

(3) A few mailboxes which we hope you can borrow from the hardware store.

(4) If a canvas or leather mailbag isn't available, use a bank money or securities sack.

(5) A pile of empty envelopes from your incoming mail.

(6) Glass-headed pushpins, thumbtacks, glue, nails, screws, hammer, screwdriver.

Lay the board flat on the floor. Mount your maps on the board with pushpins, thumbtacks and a spot of

glue at the corners. Following the accompanying sketch, mount the mailboxes on top of the maps by hanging them on nails or screws or fastening small wood platforms under the boxes to support them. (You might want to color the boxes.)

Fill the mailbag with bunched newspaper to make it look full. Place several envelopes on top. Make one the center of attention, preferably one of your own bank-by-mail envelopes. If you are pushing checking accounts address the envelope (or make an oversize envelope) to the utility company.

Have a copy card with a message:

Hot Weather Hint!  
Save Steps . . .  
Bank By Mail

Hot Weather Hint!  
Pay your bills in comfort, by mail with an Economy Checking Account

- No minimum Balance Required
- Only 10¢ a Check!

You can scatter envelopes on the floor of the window to complete the display.

Sketch for a "hot weather hint" display



First family a preview by preparing a script telling the story of the coming campaign and the thinking behind it. We then cut a transcription and played it to the directors' advertising committee, to the officers at a staff meeting, to the tellers, and to the departments. Whenever the record was played, some official was present to make appropriate comments, answer questions, and point

up the importance of each employee in the selling process. The script answered the "why" of the advertising campaign, explained how the mechanics of such a campaign were fitted into shape, gave the thinking behind the slogan and trademark, and outlined the campaign itself—schedule of advertisements, media to be used, merchandising aids, etc.

(CONTINUED ON PAGE 105)



# Canadian Capital Expenditures

*are expected to be at a record-breaking level this year—over \$5¾-billion. U. S. financial and business interests will participate with money, materials and equipment*

C. M. SHORT

In a letter accompanying the manuscript of this article, Mr. SHORT said that the Dominion's revised program of outlays for this year should result in new business running into hundreds of millions of dollars for American businessmen and bankers.

IN Canada, as in the United States, the state of business each year is conditioned largely by the scale of new capital expenditures. As is probably well known to BANKING's readers, such expenditures have been of record proportions for some years past all across Canada, mainly for vast mineral and industrial development and expansion. In fact, capital expenditures in this country in the postwar period, for all purposes, aggregated about \$30-billion. Probably as much as one-quarter of the money, materials, and equipment needed for this program has come from the U. S.

According to a recent analysis made by the Department of Trade and Commerce, Ottawa, Canadian enterprises and governments plan to spend a record-breaking amount in new capital expenditures this year, —over \$5¾-billion. Again American financial and business interests will participate in this program, although Canada's requirements from the United States may be quite different from those of former years, as the character of the work undertaken in 1954 varies to some extent and degree from previous programs in the Dominion.

## 3% Over Last Year

The amount expected to be spent this year is nearly \$150,000,000 greater than that in 1953.

The total program is higher than last year by 3%, made up of a 6%

increase in construction expenditures and a decline of 3% in machinery and equipment purchases.

The weather for building was exceptionally poor in the first five months of 1954. The fact that builders are still going ahead with original plans indicates an intensification of construction activity in the latter part of the year.

## Housing Ahead of '53

Housing investment is forecast at nearly \$1¼-billion, well ahead of last year's \$1-billion when Canada completed 105,000 new homes.

Investment in utilities, such as hydro power, is estimated at \$1¼-billion, ahead of last year's \$1½-billion.

Also up from last year are forecast capital expenditures by government departments, rising to \$809,000,000 from \$789,000,000 in 1953.

New capital expenditures for minerals are estimated at \$319,000,000, about 15% above those of last year and notwithstanding the completion, or near completion, of such major projects as the development of the rich Quebec-Labrador iron field and the first unit of the new aluminum plant in British Columbia, from which materials of strategic importance are now flowing to the United States, as well as to Britain and western Europe.

## Activity in Minerals

The increase in new investment in the Canadian mineral field is due mainly to the discovery, about a year ago, of the Pembina, Alberta, oil area, one that some petroleum experts claim to be as good as the East Texas area, as well as to definite plans to develop large lead-zinc properties in New Brunswick, high-grade copper-zinc deposits in north-

ern Ontario, and uranium in northern Saskatchewan.

Regionally, there are increased new capital expenditures in all provinces except British Columbia, so the investment program this year is quite widespread. It should be noted that British and continental European interest in Canada is much more noticeable than at any time in the last quarter century, and the capital for Canadian development from these sources is quite plentiful. One way in which Britain and western Europe can obtain funds to establish industries in Canada is by exporting a large and varied range of goods to this country, including machinery and other equipment at comparatively low prices. The International Trade Fair in Toronto last month had a large display of British and European machinery, as well as of high quality consumer's goods.

Overseas competition in the Canadian market is now as much a matter for discussion as importation of American products.

## Banks Make Mortgage Loans

The Canadian commercial banks are now operating under the new 10-year charters granted them by the Federal Government before its parliamentary sessions ended a few weeks ago.

For the first time these charters enable the banks to make mortgage loans for new house construction, as well as personal loans on the security of chattel mortgages.

Banks are setting up mortgage departments to handle this new business on a quite selective basis. These institutions have also undertaken to broaden their short-term lending transactions with brokers and other security dealers.

# Using *Numbers* Instead of *Names* for Depositors

*The Numeric Coding System promotes accuracy, saves time, lessens training worries, and eliminates signature comparisons. Ledgers contain no accounts with similar names side by side. Forgery danger is decreased. Profits increase*

**C**ODING all accounts by number, instead of using simply name and address, is not at all a new idea in banking—not new, that is, in the sense that most bank executives “have heard of it.”

But numerics *are* new insofar as any real understanding of their application is concerned. The true numeric coding system is possibly the greatest single advance in bank operating procedures during the last 20 years. It is a system that in all likelihood will be used someday by just about every bank.

## **"Incredibly Simple"**

Number coding is almost incredibly simple, and at the same time so superior to any alphabetic system that it is almost laughable to make a comparison. Yet it is misunderstood, and for that reason has not yet been adopted by the great majority of banks. Vague fears like “difficulty of transferring accounts,” “possible errors in posting,” “lack of control,” and so forth, arise sole-

## **ARTHUR O. DAHLSTROM**

*The author is vice-president of Bank of the Commonwealth, Detroit.*

ly from misunderstanding and have no actual basis in fact.

The purpose of this article is to allay such fears, and to give a complete explanation of procedures under the numeric system. We have used numerics for 18 years, beginning in 1936 with our pay-by-check accounts. Commercial checking accounts (and in our bank this term includes “regular” personal accounts) were put on a numeric basis in 1941. Today *all* of our accounting is done this way, including savings, personal loan, mortgages and land contracts, general ledger, loan and discount, and money orders. Even our daily statement is done “by the numbers.”

I cannot estimate accurately the amount of time that has been saved in this bank through use of the

numbered-account method. But it has been nothing less than enormous, as you will see in reading the details of operation. We will discuss checking accounts primarily, since this is the subject of greatest interest.

## **How Accounts Are Numbered**

Checking accounts are numbered 1, 2, 3, 4, etc. *No alphabetic combination of any kind is used* nor do we ever reissue a number. The letter “C” precedes all commercial account numbers, but this has no significance except to indicate a commercial account. As a matter of fact, we expect to discontinue the use of even this letter; it is not necessary.

For ease of reading and sorting, thousands are separated from hundreds by a dash rather than a comma. For instance, the number “32,549” is printed as “32—549”; “1,856” is printed as “1—856.”

All accounting for our 23 branches is centralized at our main office.

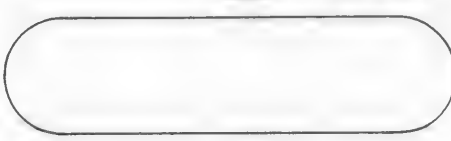
Two employees (*left*) handle all interest computations for 155,385 savings accounts at Bank of the Commonwealth, where savings accounts and all other accounting records are on a numeric basis. In the bank's proof department (*right*) commercial checks are sorted by number in groups of 6,000 (1 to 5,999; 6,000 to 11,999; etc.) as a primary breakdown. All pay-by-checks are sorted to one compartment



AFTER 8 DAYS RETURN TO  
**BANK of the COMMONWEALTH**  
 P. O. BOX 119  
 DETROIT 31, MICHIGAN



ENV 53



<p><b>TO OUR CUSTOMERS</b></p> <p>This lowest personal checking service with its many advantages, has proven to be very helpful to our many customers.</p> <p>In order that we may serve you properly, we have prepared this numbered checkbook at NO COST TO YOU.</p> <p>It is our aim to continue to serve you in the best possible manner.</p> <p><b>WARNING</b></p> <p>WE URGE YOU NEVER TO GIVE A BLANK CHECK TO ANYONE</p>	<p>ORDER BLANK</p> <p><b>BANK of the COMMONWEALTH</b>          DETROIT 31, MICHIGAN</p> <p><b>PAY BY CHECK DEPARTMENT</b></p> <p>DATE <u>July 5, 1954</u></p> <p>PLEASE MAIL A NUMBERED CHECK BOOK FOR MY ACCOUNT TO NAME AND ADDRESS BELOW</p> <p>Please Print Name and Address Plainly</p> <p>NAME <u>Robert A. White</u></p> <p>ADDRESS <u>1624 Sycamore St.</u>  <u>52-556 Detroit 12</u></p> <p>ZONE _____</p>
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A depositor's requisition slip is used as an address slip when checkbooks are sent out

We also have a central control for assignment of new numbers to commercial checking accounts.

When a new account is opened at a branch, the branch phones head office central control and is given

the next number in the register.

The printer who is to make the customer's checks is instructed to print this number at the bottom of each check. Actually, the number itself becomes a part of the printer's "plate" for that customer, and so cannot be forgotten. The customer is given several checks to use until his are printed, and his number is stamped (with a numbering stamp) on the bottom of each of these checks.

When an account is opened, the customer signs a triplicate signature card; his number is immediately written on that card and shows on both the original and the two copies. The original is kept by the branch,

one copy goes to the commercial tellers at main office, and one copy is for the commercial bookkeeping department. The bookkeeping copy is sent immediately to the addressograph department where it is used to make a plate showing customer's name and address and account number. Cross index cards—two cards stamped by the addressograph plate—are sent to the bookkeeping department; one is filed numerically and the other alphabetically. The customer's addressographed ledger card is sent along at the same time.

It is not necessary to call main office for a new number when a pay-by-check account is opened. All of these accounts are pre-numbered anyway; therefore, we simply assign 25-50 new prenumbered books at a time to each branch; they are replenished as needed. The rest of the procedure in opening an account is identical to that described above.

You can see that there is no problem in assigning a number to each account. When a printer takes an order for checks, he is careful to print exactly what is ordered; it is virtually impossible for him to

(CONTINUED ON PAGE 132)

Account Number	<u>52-556</u>
Name	<u>ROBERT A. WHITE</u> Please Print Name
Detroit, Michigan	<u>July 14, 1954</u>
<b>PAY - BY CHECK DEPT.</b>	
<small>Items received for deposit or collection are accepted on the following terms and conditions. This Bank acts only as depositor's collecting agent and assumes no responsibility beyond its exercise of due care. All items are credited subject to final payment and its receipt of proceeds of final payment in cash or otherwise, credit by this Bank, as its own office. This Bank may forward items to correspondent banks and shall not be liable for default or negligence of correspondents selected with due care nor for losses, if default, and each correspondent shall not be liable except for its own negligence. Items and their proceeds may be handled by any Federal Reserve bank in accordance with applicable Federal Reserve rules, and by any bank or any correspondent, in accordance with any common bank usage, with any private or proprietary that a Federal Reserve bank may use or permit another bank to use, or with any other lawful means. This Bank may charge back, at any time prior or subsequent to its business day next following the day of receipt, any item drawn on this Bank which is returned to the drawee without sufficient funds or has been returned for non-payment. Payments received by this Bank on each business day, and all items received by each other thereafter, except items presented for immediate payment or certification shall be considered as received merely for safe keeping by the Bank and shall be deemed as having been deposited on the next business day.</small>	
<b>BANK of the COMMONWEALTH</b>	
	Dollars Cents
Currency	<u>25 00</u>
Silver	
Checks List	
Checks Separately	<u>87 45</u>
TOTAL	<u>112 45</u>
Endorse ACCOUNT NUMBER and NAME on all Checks Deposited. FORM 142PC	

All checks and all deposit slips are marked by number and processed by number throughout. Notice that thousands are separated from hundreds by a dash rather than a comma, making for easier sorting. The account number shown here is 52,556

<b>BANK of the COMMONWEALTH</b>		9:31 720
DETROIT, MICH.		
July 20, 1954		CHECK NO.
PAY TO THE ORDER OF <u>Carney &amp; Co.</u>		<u>\$18.49</u>
<u>Fifteen and 49/100</u>		DOLLARS
ACCOUNT NO.	<u>52-556</u>	<u>Robert A. White</u>

# GOVERNMENT BONDS

*The Fed's "clear intent" . . . . New reserve requirements . . . . Demand for Treasury bills . . . . The cash budget . . . . Refunding . . . . Cash needs*

MURRAY OLYPHANT

So far as the outlook for the market for Government securities is concerned, what happened in June ought to be reassuring. That is, any lingering doubt that an increased demand for loans in the coming months would necessitate sales of Government securities and depress the market should have been removed by the clear intent of the Federal Reserve to continue "active ease" in the money market.

True, the banks have been successful in maintaining their loan portfolios at higher levels than had been expected. True, that general opinion expects those levels to be further increased. They will be if business forecasts are even moderately correct. But the drain on reserves resulting from whatever the increase may be will be offset to the extent necessary by Federal Reserve action. Read over the statement (on page 51) accompanying the announcement of the decrease in the amount of required reserves. Doesn't it say just that?

If that is true, then why should there be much if any change in the prices for Government bonds? Isn't it possible that there will be less competition from now on from other investment media? The flood of corporate and municipal and revenue issues can hardly be as great as for the past six months, which made a new high record for any such period.

Is it as hazardous for a portfolio manager to take on moderate amounts of the 5-10-year Governments as it would be to maintain an unduly large proportion of his total holdings in the very short maturities with their very small after-tax income return?

Actual decisions will have to be made on the basis of the individual institution's present set-up, but we are inclined to feel that decisions can be made with reasonable confidence that not much change will occur in market prices, and we suspect that the chances for better prices are greater than for lower.

## Recovery from Jitters

During June the market for Government securities got over the attack of jitters from which it had suffered during May. It was quite clear that the jitters had had no sound excuse. The doctor was still keeping the patient well supplied with the credit vitamin—actually increasing the dose. The patient seemed to get wise and realize that there would be more of the same if needed.

The business background and outlook gave no indication of bursting forth into an inflationary binge or of slipping into a recession. Business forecasts continued to be moderately optimistic. Capital expenditures and building construction continued at high levels. Although the number of unemployed decreased only slightly, the number of employed showed a gratifying and contra-seasonal increase and—as pointed out by Secretary Humphrey—the latter is probably the more accurate gauge of true employment.

Moderate improvement in business volume is freely predicted. Banks can expect an increase in the demand for loans during the summer and fall months. They can be sure that reserves to meet such a demand will be made available to them by the monetary authorities. The Fed-

eral Reserve cannot take the risk of putting any brakes on a business car that is moving forward. The situation is something like a dual-controlled car for those learning to drive. As long as the driver is moving forward safely, let him go ahead; encourage him. Such encouragement came with the long awaited reduction in the reserve requirements of the member banks of the Federal Reserve System.

## Reserve Requirements Reduced

The announcement that reserve requirements would be lowered came on June 21. The net effect was to unfreeze reserves to the extent of about \$1½-billion, effective in the period from June 14 to August 1. The new reserves were estimated to become available about as follows:

On June 14	\$194,000,000
On June 16	\$182,000,000
On June 24	\$256,000,000
On July 29	\$611,000,000
On August 1	\$314,000,000

Thus the new funds were fed into the market rather slowly.

After August 1 the requirements for the various bank classifications will be

	On net demand deposits	Current reduction
Central reserve city banks	20%	-2%
Reserve city banks	18%	-1%
Country banks	12%	-1%
On time deposits		
All banks	5%	-1%

This gives the reserve city banks a little of the break for which they have been asking and is a step in



the right direction. But the requirements are still too high under present conditions. We suspect that later in the year more will be done.

### Why the Decrease?

The objective of the decrease was clearly stated by the Board of Governors of the Federal Reserve System. It was "in conformity with the Federal Reserve System's policy of making available the reserve funds required for the essential needs of the economy and of facilitating economic growth. . . . In anticipation of estimated demands on bank reserves during the summer and fall, taking account of probable private financing requirements, including the marketing of crops and replenishment of retail stocks in advance of fall and Christmas sale seasons, as well as Treasury financing needs."

This last is not the least, as the Treasury is expected to need not far from \$10-billion of new money before December 30.

That statement is worth reading over carefully. How could it be more definite? You might get the manager of your portfolio to memorize it. In short, in the battle of credit

supply, the Fed is going "to get there fastest with the mostest."

### OMC Takes a Hand

From March 31 to May 12, the Open Market Committee did nothing. Since then from week to week it has been smoothing out temporary over- and under-supply of funds in the money centers. But the Fed portfolio has risen only about \$400,000,000. In five of the seven weeks there were increases. In two, there were declines. Let the cost of Federal funds get up close to the limit of  $1\frac{1}{2}\%$ , and the word goes round that the Fed would listen to offers of bills. Let the "funds" become superabundant, and bids are suggested. It's not so much the actual volume of transactions as the knowledge that stabilizing action will be taken that keeps the fund market from going too far one way or the other and keeps the dealers in the mood to bid freely each week.

### Market Recovers Throughout the List

In the first half of June, market quotations continued to firm up. So much so that news of the reduced

reserve requirements for the member banks induced no further sharp rise. Nevertheless, from day to day, prices moved up, so that by the first week of July the intermediate and longer term bonds had recovered well over half of their earlier decline.

All the longer  $2\frac{1}{2}\%$  bonds had gone back up to 100 or more. Investment orders for the long  $3\frac{3}{4}\%$  bonds had pushed them up to a new high of over  $110\frac{1}{2}$ . In the 5- to 10-year maturity range, there was enough demand—or lack of offers—to get some of the issues within  $\frac{1}{4}$  to  $\frac{1}{2}$  of their previous top prices. The  $2\frac{1}{4}\%$  bonds 1959/62 were a popular choice.

The new  $1\frac{7}{8}\%$  notes 2/15/59 were recognized as too cheap. They were bought, perhaps, as a replacement for some other issue on which a profit had been taken; perhaps because of recognition that their earlier behavior had not been their own fault but the fault of "joyriders" when these notes were first issued. Anyhow, they climbed back to 100  $20/32$ , and even there still appeared to be on the cheap side.

(CONTINUED ON PAGE 141)

## Investment Markets

H. EUGENE DICKHUTH

THERE is basic strength in the investment markets. While the greatest firmness is displayed in Governments, in heavy demand by trust and pension funds, the municipal market is good as well, but the public market for new corporate bond issues has a crowded look.

With new big offerings on the way at this writing, dealers reduced prices to move the bonds on their shelves, but the surplus was not excessive.

Large refundings by public utility corporations lifted the total of bonds called in June for redemption, before maturity, to \$147,258,000, the largest for any month since March 1952.

This compared with \$92,365,000 last May and \$83,158,000 in June 1953. Heading the list were the refunding \$40,000,000 of Commonwealth Edison Co. 3½s, series P, due 1983, called at 102.90 for payment on June 22.

Bonds called for prepayments in the first six months of 1954 were \$445,247,000, the largest amount for the period since 1950, when \$663,667,000 was retired. A total of \$286,236,000 was redeemed in the first half of 1953.

Since low money rates and high bond prices have been prevailing for some time, June new bond issues set a 28-year high, but stock flotations were off.

For the third consecutive month, new bond issues have been more than \$1-billion. June's aggregate of \$1,038,166,000, covering 114 issues, compared with \$1,355,271,000 for

95 flotations in May and with \$788,136,000 for 97 issues in June 1953.

Tax-exempt flotations of \$700,566,000 for states, cities, and for public housing accounted for the majority of the new obligations offered.

Public utility financing followed with \$181,000,000 in 11 issues.

NEW bond financing in the first half of 1954 totaled \$5,616,269,000 for 572 issues. This compared with \$4,472,206,000 for 590 flotations in the first six months of last year.

Contrary to the heavy public offering of bonds, new stock financing in June was the smallest since February. It amounted to only \$71,202,000 for 13 issues and it was the smallest for any June since 1950.

It compared with \$108,939,000 for 12 issues in May and with \$82,115,000 covering 18 flotations in June 1953.

Equity financing in the first half of the year, however, was up slightly over 1953 but well below 1952. Offerings of \$464,633,000 in the first six months of 1954, divided into 76 issues, compared with \$457,559,000 covering 83 issues in 1953 and with \$652,924,000 for 107 flotations in 1952.

In this field, too, utilities led the parade this year with \$340,825,000, followed by industrials with \$83,985,000. The comparative figures last year were \$375,003,000 and \$68,034,000.

# A Bank's TV School Parade

*Rochester Youngsters Demonstrate That "Learning Can Be Fun"*

**H**ERE's a television program that brings the schools—and a bank—right into the living rooms of Rochester, N. Y.

"Schools on Parade" is live and it's local. Produced and sponsored by the Rochester Savings Bank, it presents each Friday at 7:15 P. M.

interesting, unusual classroom doings, enacted by the youngsters themselves. The series, now more than a year old, demonstrates that "learning can be fun."

Children of all ages participate in the re-creation of such activities as choral speaking, Indian games, sight

saving, junior news quiz, Junior Red Cross, elementary geology and conchology, science, the three R's, painting.

Occasionally there's a banking program. Once a year, for instance, the bank's top officers talk about the bank statement; and the American Institute of Banking has been featured.

"I have always felt that Rochester had a fine public school system," wrote one mother, "but, frankly, until seeing the schools really on parade, I didn't have too many concrete things to go by."

**T**HE show originated something more than a year ago when the bank was searching for a new TV series.

"The idea of presenting some of the activities that I had seen in the classroom while visiting the schools," says Producer Katherine B. Zimmerman, "seemed a natural and logical tie-in for the bank because of our long and uninterrupted school savings banking service."

"Our thought was that these activities would demonstrate that 'learning can be fun,' and that they were the direct results of the basic learning skills."

Station WHAM-TV, affiliate of NBC, requested 15 ideas for shows; the bank provided 25.

The first plan called for a 13-weeks series; it was extended for 26 additional weeks. Everybody, including the Board of Education, was enthusiastic. Parents, educators, station executives, publications praised the program.

Each telecast opens with "High School Cadets March," played while photographs of schools move past on the animator. Announcer lists the Rochester's three banks as slides of the offices are shown. Then he turns the show over to the program moderator.

She introduces the bank officer or executive who gives the single minute and a half commercial. It's read at a desk placed before a large photo mural of the bank's interior.

Next there's a brief interview be-

Seven budding geologists of the Hosea Rogers School 6th grade took part in a science program that recounted a field trip and introduced models of prehistoric animals



The tailoring class at the Paul Revere Trade School showed the TV audience the instruction they receive—at the cutting table, for instance. Rochester is an important garment center



tween the moderator and a principal and teacher, whose appearance on the program pleases the parents and faculty of the participating school. Their remarks explain the learning skills featured in the demonstration that is to follow, as well as the objectives and results of the particular project. Then the children take over.

**T**HE first program was called "The 50¢ Weather Bureau." The sixth grade, after visiting the local bureau, had set up its own weather station, making the instruments out of simple materials. Seven pupils were chosen by the grade to present the story. Props included blue paper posters with thick white cotton clouds—a clever background for the children and their meteorological gadgets made of milk cartons, wire clothes hangers, empty cans, etc. The moderator examined and discussed, in a fast-moving script, the instruments and cloud formations. The curriculum tie-in was Science Studies.

Other programs were: "American Junior Red Cross in Action" (eight 5th graders; tie-in, Citizenship Training).

"Poetry Is Fun." (Choral speaking, 20 pupils; tie-in, Language and Arts.)

"You Got to Have Bones." (Eight 7th graders whose chief prop was a human skeleton, called "Silent Sam," to illustrate the children's explanations of indispensable bones; tie-in, Science and Health Education.)

"Indian Games" was the result of original research by 4th graders.

"The Glass School House" gave an opportunity to vocational horticulture seniors from one of the four schools in New York State offering these courses.

"Money Management" was a 7th grade panel discussion. ("Smart youngsters, very good show," comments Mrs. Zimmerman, director of school savings at the bank.)

"Then we had one called 'It's still the 3 R's by a 6th grade, showing how all the basic learning subjects were interrelated in a study of Central America,'" she continues.

"This year we've had a Junior News Quiz, a kindergarten rhythm band, three art department shows a teen-age fashion show, ballet, marionettes, a geology field trip with movies, a tailor shop from a trade school, conchology, library service club.

"Each year we have given the Easter vacation show to the American Institute of Banking."

**E**VERYBODY seems to like the program. Said Charles Siverson of WHAM-TV in replying to a letter from the president of a PTA: "Credit for this splendid presentation must go to members of the Rochester Savings Bank who created the program format and secured the necessary talent to execute it properly. We are delighted as a station that our fa-

cilities are used so constructively by this advertiser."

And the *News Letter* of Rochester Classroom Teachers Organization commented: "Congratulations to the Rochester Savings Bank for their very fine expression of interest in our public schools. The high quality of the TV program that they sponsor should have a far-reaching effect upon public understanding of what our public schools are doing. We are proud of the teachers who participated in these programs. They are fine pioneers."

When the schools are closed for Easter vacation, the American Institute of Banking appears on the program. In the picture Rochester Chapter's Educational Director Howard is being interviewed by Moderator Ann Rogers on the work of the A.I.B. An A.B.A. film is shown, too.



These 6th graders at School 11 demonstrated that their study of shells took them on many interesting educational excursions into geography, marine life, reference books. Some pupils collect shells





The Ralston Purina Company research farm at Gray Summit, Missouri, which played host to 900 bankers

## News for Country Bankers

*This department is edited by*  
MARY B. LEACH of BANKING's staff.

### 900 Bankers Visit Purina

**D**URING a 5-week period, approximately 900 bankers from the principal agricultural regions of the country visited the Ralston Purina Company research farm at Gray Summit, Mo., to see modern poultry and livestock feeding and management practices in operation.

Donald Danforth, president of the company, spoke to the bankers on the needs and opportunities in the field of livestock and poultry production loans. He advocated local banks as the logical source for the credit need to finance these local operations. Somebody is going to furnish the financing needed, he said, and declared that these loans have proved to be sound and profitable.

The bankers made the visits in five separate groups. Each group took a two-day trip, which included also visits to Purina's basic laboratories and St. Louis offices.

### FFA Scholarship Award

**T**O encourage the youth of New York State to make farming their career, the New York State Bankers Association has awarded another scholarship to a Future Farmer of America student to enable him to attend the Bankers School of Agriculture at Cornell University, Ithaca, on August 9-13.

Announcement of the scholarship is made by Stanley A. Neilson, president of the association and of the Bank of Gowanda, Gowanda, New York. The curriculum will include soils, poultry, vegetable growing, farm management, farm appraisal, and marketing. Satisfactory completion leads to a certificate of graduation.

The Bankers School of Agriculture is a two-year course offering basic studies in crop and livestock enterprises and is sponsored by the New York State Bankers Association in cooperation with The State College of Agriculture, Cornell University. The student body of 75 or

more is made up largely of officers and farm representatives from commercial banks throughout New York State. It is designed to provide bankers with an intensive grass roots training program on agriculture and farm management so that they will be better equipped to deal with the problems of their farm customers, Mr. Neilson said.

Eligible for the two-year commercial bank scholarships are successful applicants for the Empire Farmer degree—the highest degree given by the Agrarian Association. To be considered for the award, the FFA member must be definitely planning to enter farming directly upon graduation from high school.

The winner of the 1954 scholarship was selected at the annual state convention of the FFA held at Cobleskill.

### How to Sell All Services

**"I** SPEND about 50% of my time in the field calling on farmers, farm equipment dealers, grain deal-



ers, and other personnel dealing with farmers," writes Alton H. Cole, manager of the Farm Service Department of the B.M.C. Durfee Trust Company, Fall River, Massachusetts. "I have found that the best possible manner to get farmers to use our banking facilities," he said, "is to call on them personally and talk to them in their own environment."

Mr. Cole's description of his bank's efforts to sell farm customers on using the several services offered by the bank includes these comments:

"Our solicitation for new and additional accounts from farmers is done by direct mail and newspaper advertising. A direct mail letter emphasizing our services for farmers is sent each spring to 300 farmers in this area.

"In addition, many of these and other farmers are on our regular mailing list and receive three to six direct mail letters annually. Each of these letters advertises one department or service of the bank.

"We run a newspaper ad early in the year to publicize our readiness for farm business. This is followed up, generally in March or April, with a second farm ad.

"The larger part of our overall advertising budget is spent on direct mail. We find that direct mail elicits a definite response to the particular service advertised within two to four weeks after mailing. Our several annual mailings are made to a list of 10,000 customers and 20,000 non-customers."

## 20-Page Fertilizer Book

THE Washington Bankers Association is demonstrating its interest in Washington's agriculture by publishing a 20-page brochure on the effect of the expanded use of fertilizers for many of our Washington crops. The booklet was made possible through the cooperation of the National Fertilizer Association and Washington State College.

The booklet graphically describes how production and profits can be increased in the major crops and at the same time build up the soil fertility and help to prevent erosion. The bankers have found by experience that proper and scientific use of fertilizer can assist the farmer in his financial problems.

"The agriculture potential of this state is far beyond the scope any of us had dreamed about until re-

**B.M.C. DURFEE TRUST COMPANY**

THE FARM LOAN DEPARTMENT

**FARMING for  
LARGER INCOMES**

● Do you need cash NOW to go ahead with your plans?  
You must have trucks and farm machinery, fertilizer, extra hay or insecticides when you need them. Not six months later.

Our Farm Loan Department makes loans to farmers for all household purposes. A loan NOW means you can pay cash for your requirements. And paying cash usually means you get a better price, discount, and prompt delivery.

I can call at your farm at whatever time is most convenient for you. Phone me, or drop me a card. Or, if you're in town, you're welcome to come into the bank and talk over your farm financing problems or plans.

Modern farm methods and equipment mean better crops, increased production and greater income for you. We'd like to help you in every way we can.

● Come in whenever we can be of service to you.

Yours very truly  
*Alton H. Cole*  
Alton H. Cole  
Farm Loan Department

80 North Main Street, Fall River, Massachusetts  
Telephone 9-5651

One of the letters sent periodically to farm customers by the B.M.C. Durfee Trust Company, Fall River, Massachusetts

cently when larger quantities of fertilizer were applied to our crops," said Lyal L. Stringham, president of the association. "We feel that advising farmers and helping them to finance their crops is a major function of banking."

Mr. Stringham is vice-president of the Seattle-First National Bank in Walla Walla.

## Customers Rate Bank

THE First-Citizens Bank and Trust Company of Greencastle, Indiana, received a high rating from its customers in answers to a questionnaire sent out asking for an expression of opinion on the bank's service, personnel, and policies. The questionnaire went to 3,194 customers and was answered by 20% of them (644).

In addition to getting "yes" and "no" answers to 13 specific questions dealing with service, personnel, etc., First-Citizens ascertained the length of time these customers had been dealing with the bank, as follows:

- 273—customers less than 10 years
- 148—customers from 10 to 20 years
- 65—customers from 20 to 30 years
- 36—customers from 30 to 40 years
- 16—customers from 40 to 50 years
- 4—customers for 50 years
- 1—customer for 51 years

Here is a sample of the service-personnel questions and the response received:

Q. Do our banking facilities take care of your needs? A. 588—Yes; 3—No.

Q. Have you ever heard any of

our personnel discuss accounts or banking business of a private and confidential nature outside of the bank? A. 566—No; 9—Yes.

One of the important features of the questionnaire was a section devoted to ascertaining the various services of the bank now used by this group of customers. Another question had to do with why customers do business with First-Citizens. The bank and its officers and personnel received a vote of approval on a 7-part question covering courtesy, efficiency, speed, etc.

## Recordkeeper Champ Chosen

AT the conclusion of the first annual FFA record-keeping contest sponsored by the Ohio Bankers Association, Herbert Litt, a 17-year-old high school senior of Fredericktown, was chosen Ohio's FFA champion farm account recordkeeper. Young Litt was awarded an all-expense trip to the National FFA Convention in Kansas City next fall as state contest winner.

The excellence of the over-all performance record of the Fredericktown Chapter of the FFA entitles its next three best recordkeepers to make the Kansas City trip along with young Litt and their instructor, L. R. Clark.

The Fredericktown student and his classmates were chosen from among nine district winners in the state, their records having been judged by representatives of the Ohio Bankers Association and the Ohio Vocational Agriculture Department. All nine district winners already had received \$10 chapter prizes from their local banks, and \$50 awards from the OBA district organizations. All awards were made in the form of savings accounts in the local banks patronized by the boys.

## Wins Award; Wins Job

IN 1950, when Charles H. Hickman of Alexandria, Louisiana, received a 4-H recognition award for outstanding accomplishments from the Rapides Bank and Trust Co., of Alexandria, he little realized that in less than three years he would be a valued employee of the Rapides Bank.

After graduating from high school as an honor student in 1951, Mr.

(CONTINUED ON PAGE 107)

# Farm Land Prices Decline

FARM LAND prices were lower in every state on March 1, 1954, as compared with a year earlier. The national index of average value per acre for March was 120 (1947-49=100) according to the Agricultural Research Service of the U. S. Department of Agriculture. The states affected by drought and lower cattle prices for 1953 showed greater declines than the 6% average decrease for the country. Table I gives the figures, by states, for March 1954 with comparisons.

During the 4-month period which ended in March of this year, farm land prices drifted moderately lower. The change was less than in the previous 4-month period due to

some strengthening in prices of farm commodities. Increased hog prices and more favorable returns from cattle feeding tended to hold land values in many Corn Belt states.

The total market value of farm real estate is estimated at \$87,580,000,000 as of March of this year. This is a decline of \$5.1-billion, or about 5% from a year earlier and more than 6% from the peak of March 1952. The average per-acre value of farm land is estimated at \$75, compared with \$80 a year earlier.

During the year ended March 1954, farms bought were more frequently credit-financed than those

bought in any year since 1946. Some form of credit was used to finance over 70% of the farms bought during the past year, according to the USDA. Less than 30% of the farms transferred were bought for cash.

The estimated amount of farm mortgages recorded by all lenders totaled \$1,854,000,000 during 1953, which is 4% greater than the amount recorded during 1952. It exceeded for the first time the amount recorded during the heavy refinancing year of 1934. The recordings of banks last year totaled \$484,000,000, or about the same as a year earlier. The total amount of farm mortgage loans made by banks is larger than for other institutional

**TABLE 1: FARM REAL ESTATE**  
Index Numbers of Average Value, per Acre by States,  
1954, with Comparisons<sup>1</sup> (1947-49 = 100)

State and Division	1920	1940	1950	1953	1954
Maine.....	102	69	95	99	90
New Hampshire.....	91	67	97	108	105
Vermont.....	86	58	101	113	107
Massachusetts.....	91	74	99	112	106
Rhode Island.....	71	66	101	111	109
Connecticut.....	72	65	100	111	109
NEW ENGLAND.....	88	67	99	108	103
New York.....	92	59	105	121	114
New Jersey.....	69	62	103	123	120
Pennsylvania.....	91	58	102	129	122
MIDDLE ATLANTIC.....	89	59	103	125	118
Ohio.....	95	46	101	134	129
Indiana.....	96	44	103	137	130
Illinois.....	106	50	108	140	133
Michigan.....	78	46	100	126	121
Wisconsin.....	119	58	101	119	113
E. N. CENTRAL.....	101	49	104	133	127
Minnesota.....	138	55	109	134	127
Iowa.....	146	50	108	128	124
Missouri.....	142	50	106	132	121
North Dakota.....	135	48	107	136	134
South Dakota.....	207	47	111	140	135
Nebraska.....	144	47	104	136	127
Kansas.....	95	45	106	133	125
W.N. CENTRAL.....	138	49	107	133	126
Delaware.....	86	55	98	123	120
Maryland.....	82	50	99	126	123
Virginia.....	81	48	101	134	126
West Virginia.....	105	58	95	113	106
North Carolina.....	69	43	106	138	131
South Carolina.....	110	43	97	119	112
Georgia.....	119	45	99	129	122
Florida.....	76	57	97	123	116

State and Division	1920	1940	1950	1953	1954
S. ATLANTIC.....	89	48	101	129	122
Kentucky.....	75	42	102	123	115
Tennessee.....	78	42	103	125	116
Alabama.....	69	47	101	131	122
Mississippi.....	94	46	106	139	130
E.S. CENTRAL.....	78	44	103	128	119
Arkansas.....	94	40	105	128	120
Louisiana.....	94	57	105	125	121
Oklahoma.....	89	50	108	133	122
Texas.....	97	55	102	134	125
W.S. CENTRAL.....	95	53	103	133	124
Montana.....	101	46	98	115	109
Idaho.....	98	53	95	97	91
Wyoming.....	99	42	99	118	108
Colorado.....	95	42	97	105	94
New Mexico.....	60	39	103	118	107
Arizona.....	73	47	95	124	113
Utah.....	136	61	100	108	101
Nevada.....	106	52	95	110	102
MOUNTAIN.....	94	46	98	111	102
Washington.....	105	54	93	101	96
Oregon.....	101	57	92	101	94
California.....	78	49	86	96	90
PACIFIC.....	84	51	87	97	92
UNITED STATES...	105	50	102	127	120

<sup>1</sup>All farm lands with improvements as of March 1.

SOURCE: Agricultural Research Service, USDA.

lenders. The Federal Land banks and insurance companies increased the amount of their recordings by 14% from a year earlier.

Banks far exceed any other lender group in the number of farm mortgages recorded, even though they experienced a 2% decline in 1953 as compared with 1952. For all lenders, the decline was 1%, whereas the FLBs and insurance companies reported increases. Reports from selected insurance companies and the FLBs indicate that a part of the increase in new farm mortgage recordings resulted from the refinancing of old mortgages and short-term debts rather than the financing of farm-land purchases. Banks report that they expect no significant increase in the refinancing of short-term debts. The data on farm mortgages recorded by various lenders are given in Table 2.

The average size of loans for the various lenders is also shown in that table. It is interesting to note that the average size of the farm mortgage loans recorded in 1953 by

Lender	Millions of Dollars	Percentage Distribution
Commercial and savings banks.....	\$1,131	14.8
Federal Land banks.....	1,187 <sup>1</sup>	15.5
Insurance companies.....	1,896	24.8
Farmers Home Administration.....	268	3.5
Individuals and others.....	3,178	41.4
<b>TOTAL.....</b>	<b>\$7,660</b>	<b>100.0</b>

<sup>1</sup> Includes Federal Farm Mortgage Corporation.  
SOURCE: Agricultural Research Service, USDA.

banks—\$4,500—is smaller than that for any other lender. This is a 2% increase over 1952 and a smaller percentage change than for all other lenders, with the exception of individuals whose loans were estimated to be the same average size as those made a year earlier.

Farm mortgage loans held by commercial and savings banks on January 1, 1954, amounted to \$1,131,-

000,000. This is an increase of less than 1% over a year earlier. The increase during the past year was relatively small compared with the increases for both 1946 and 1947.

The estimated farm mortgage debt for all lenders at the beginning of this year amounted to \$7,660,000,000, as compared with \$7,154,000,000 a year earlier. Table 3 shows the mortgage debt held by various lenders on the first of the year. Even with the increase in farm mortgage debt, there has been a substantial decline in the number of farm sales. Voluntary sales of farm real estate during the past year were 13% below the previous year and only half as high as during the peak years of 1946-47.

**TABLE 2: NUMBER, AMOUNT, AND AVERAGE SIZE of Farm Mortgages Recorded by Banks and Other Lender Groups, 1952-1953**

Lender Group						
Year	Banks	Federal Land Banks <sup>a</sup>	Insurance Companies	Individuals	Miscellaneous Lenders	All Lenders
NUMBER						
1952....	109,922	43,273	28,179	98,179	36,118	315,671
1953....	107,661	46,843	29,171	93,139	36,766	313,580
Percent change.	-2	+8	+4	-5	+2	-1
AMOUNT (000 omitted)						
1952....	\$483,677	\$251,633	\$345,615	\$514,293	\$182,401	\$1,777,619
1953....	483,990	286,146	394,485	488,003	201,003	1,853,627
Percent change.	b	+14	+14	-5	+10	+4
AVERAGE SIZE						
1952....	\$4,400	\$5,820	\$12,260	\$5,240	\$5,050	\$5,630
1953....	4,500	6,110	13,520	5,240	5,470	5,910
Percent change.	+2	+5	+10	0	+8	+5

<sup>a</sup> Includes Federal Farm Mortgage Corporation. Authority to make new loans, except those incidental to liquidation, expired July 1, 1947.

<sup>b</sup> Less than 1%.

SOURCE: Compiled from Farm Credit Administration data.

### Free Savings Bond Ads

SIX newspaper advertisements have been prepared by the U. S. Treasury Savings Bond Division and the Advertising Council for use by the nation's banks during the farm marketing periods to promote the sale to farmers of U. S. Savings Bonds. Proofs of these ads were recently sent to all banks in the country by the American Bankers Association.

The excellent 1952-1953 farmer bond purchase record was recounted in a letter signed jointly by Everett D. Reese, A.B.A. president, William H. Neal, chairman of the A.B.A. Savings Bond Committee, and Jesse W. Tapp, chairman, A.B.A. Agricultural Commission. "We believe," said the letter, "that use of the ads will not only increase the sale of Savings Bonds, but will also acquaint the general public, including farmers, with the versatile service offered by your bank."

# How a City Bank Assists Small Farmers

*Some Case Histories of How Bank Credit Has Enabled Small Farmers to Become Self-Sustaining and Independent on Limited Acreage*

FRANK L. GOEBEL

*This is the second article by MR. GOEBEL, who is farm loan officer of The Parkersburg (West Virginia) National Bank, on bank assistance to small farmers.*

IN last month's issue of BANKING, we discussed the position of the "small farmer" in American agriculture—defined the term and pointed to him as a real source of new and undeveloped business for commercial banks. A number of factors contribute to the soundness and stability of the family-size farm. Chief among these is the continuing ability of the small farmer to sustain himself and family from his efforts on the land itself. Small scale operation requires minimum initial capital, low operating cost, and permits diversification. In many cases these small operations are so skillfully managed and arranged the owner holds down a full-time job in industry. Until their operation is fully developed, the vast majority of these people work at least part time elsewhere.

How may a commercial bank assist these people? Does a small farmer make a profitable bank customer? By what method does a bank attract the business of this segment of our rural population?

Mr. Goebel, right, and Mr. Kirby are shown inspecting the Kirby dairy herd at Mineral Wells, West Virginia



What bank services do they require? Mr. and Mrs. William Andrick of Williamstown, West Virginia, are well qualified to answer. Let Bill tell his own story.

## Self-Sustaining

"I came out of the army eight years ago with a small paying job and a determination to become a farmer. Our first venture was small, all right—nine acres in fact. But it was a beginning. From it we produced much of our living. Our bank

gave us every encouragement and planned with us every step of the way. Today we own a fine 60-acre farm, fully stocked and equipped, producing a comfortable living. Our 10 dairy cows bring in \$3,600 a year and the farm produces most of their feed and much of our living. I am always being asked: 'What do you mean by "living"?' By that we mean all the butter, milk, eggs, meat, and vegetables we need and enough canned products to see us through the winter. Translated into dollars and cents it's a good income and there are other compensations difficult to evaluate. But it would all have been out of the question had our bank lacked faith in us. In the past eight years they have granted us 13 separate loans totaling \$12,855.78, of which we have repaid \$9,755. These loans covered the purchase of our farm, some of the cows, seed, lime, equipment—even household appliances. Every loan was made with one object in mind—that ultimately we would be self-sustaining. Some time ago, I gave up my outside employment and now spend all of my time on my 60 acres."

Wayne Andrick—a future farmer and a future customer—is shown displaying a National 4-H calendar distributed by the bank





# Three-way partnership finds livestock financing profitable

L-R Purina feeder Donald Johnson, dealer Zerle Myers, and banker Glenn Sherman, of Fairfield, Iowa.



There's a real feeling of partnership between the First National Bank of Fairfield, Iowa, the Purina Dealer, and the farm population of that community. Here's the way each "Partner" looks at it...

## THE BANKER...

"When we use the value of livestock as part of the basis of a loan, we feel we should go all the way and include the cost of good supplement feed." ... Glenn A. Sherman, Vice Pres.,

First National Bank, Fairfield, Iowa

## THE FARMER...

"I couldn't get along without bank financing... With it, I do a better job of feeding by using a program that will produce meat, milk and eggs at maximum profit." ...

Donald Johnson, RFD 1, Fairfield, Iowa

## THE PURINA DEALER...

"We like to sell our customers Purina Chows on bank contracts... the banks are in the financing business, and we're in the feed business. We think that makes a good team." ...

Zerle Myers, Manager,

Hayes Grain and Feed Co., Fairfield, Iowa

## PARTNERS IN PROSPERITY

Many bankers are proud of the prosperity they bring to farming communities by sound financing of feeding operations in dairy, cattle, hogs, broilers, poultry and turkeys. If you are such a man, you will find your Purina Dealer and Salesman glad to work with you on a business-like basis. Your salesman has a portfolio of forms and finance plans that have proved sound and profitable for other bankers. If you'll call your Purina Dealer—the Store with the Checkerboard Sign—he'll be glad to have the salesman call without any feeling of obligation.

**RALSTON PURINA COMPANY**  
ST. LOUIS 2, MO.



# We Don't Get Our Money's Worth' From Foreign Aid, G.S.B. Hears

**J**AMES BURNHAM, author of "Containment or Liberation?" and other works in sociology and philosophy, in an address at The Graduate School of Banking, declared that the economic recovery accomplished with the help of American aid does not have a sound and lasting basis—with the exception of some of the smaller nations and possibly Western Germany.

"Since the end of the War," Mr. Burnham asserted, "our Government has distributed substantially more than \$50-billion to other nations, most of it in the form of outright grants of one sort or another. The exact figure is perhaps impossible to come by. The sums are scattered under dozens of headings, and no two estimates of the total agree. Moreover, there have been many indirect distributions that are omitted from the usual summaries; for example: the expenditures of troops, occupation officials, and several hundred thousand administrative employees in foreign nations; hidden distributions from secret funds; military expenditures for facilities; and various confidential costs. These indirect distributions total many billions and probably bring the overall figure to \$60-billion or more. This, remember, refers solely to governmental outlays. I am not dealing with expenditures, gifts, or investments by private individuals or corporations, which is another problem.

"This sum of money," said Mr. Burnham, "is equal to approximately \$350 for each and every man, woman, and child in the United States. Think for a moment just what this means. If you have a wife and three children, it means that over the past eight years, your Government, presumably as your representative, has distributed to foreign nations \$1,750 of your family funds. Do not suppose that this way of putting it is just a figure of speech. Even though it no doubt escaped your notice, that \$1,750 has come right out of your family pockets.

"In this matter of the \$1,750 that we have contributed during these

past eight years to the foreign aid program," he continued, "I wonder how many of us have ever asked ourselves what we have been getting for our money? However, as soon as we ask ourselves the question, we are at once confronted with a difficulty. What have we wanted to buy?

". . . During these years of the aid program, France, Italy, Indonesia, India, Japan, and even Great Britain have become less rather than more reliable allies of the United States," Mr. Burnham asserted. "They are further away from us on the international issues that arise in the political, strategic, or economic fields, whether the problem is of checking aggression in Asia,

recognizing Red China, or trading with Russia. They are softer, not harder, toward the blandishments of our Soviet enemy.

"Moreover," he continued, "in their internal opinion, they are more anti-American, and less anti-communist and anti-Soviet than eight or five years ago. This fact is lamentable but true. In all France, not a single prominent newspaper is consistently anti-Soviet, much less pro-American. In England five years ago, even communists never expressed the kind of anti-Americanism that is today commonplace. As for India, a dinner guest who failed to denounce America would be dropped from polite society. We must not deceive ourselves with the fancy trapping of NATO—the North Atlantic Treaty Organization. NATO is worth no more than the strength and resolution of the 14 nations that compose it, and most of these nations are neither strong nor resolute."

## Who We Are and What We Do

**T**HE New York State Bankers Association has established the Educational Foundation authorized by the membership at the 1953 convention.

Aimed at providing "a dynamic and continuing program of action to inform the public of the important function that banking performs," the Foundation will operate through committees and geographical units at three levels. A public relations committee is to be formed in each of eight regional groups, in addition to the association's regular committee. Also, there will be a public relations committee in each county of the state. These groups will cooperate closely with representatives of individual banks who will form the third or grass-roots level in the program.

The action program will be started with a public relations audit of every member bank. This will consist of check lists, covering all phases of internal and external functions, from which the association staff will be able to develop immediate targets for assistance to the banks.

Communication channels will be established to provide a steady two-

way flow of news, ideas, and current information, serving as a clearing house as well as an originating source for service and program material.

"AN important function of the Foundation," said Stanley A. Neilson, 1953-54 president of the association, "will be to take issue with those contenders for public approval who seek support for their views by attacking our industry. In a more positive sense, however, the Foundation is being geared to disprove unfounded accusations even before they are made. . . .

"Time and events," Mr. Neilson asserted, "have made public education and the cultivation of public opinion compulsory. The fallacy that bankers seek to prosper at the expense of other elements of the economy must be dispelled for once and all. It is a matter of simple logic that no bank can prosper unless the nation and its people also prosper."

The director of the Foundation is C. William Green, formerly chairman of the NYSBA's Committee on Public Information and former director of the A.B.A. Public Relations Council.

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and \$10,000,000.00 Surplus*



WILLINGNESS TO SERVE has been the secret of Second National's growth. The construction of the new Second National Bank Building is the most important step in Second National's long range plan to increase our capacity to serve you.

Depend on Second National for all of your correspondent banking needs.

## STATEMENT OF CONDITION

JUNE 30, 1954

RESOURCES		LIABILITIES	
CASH .....	\$ 85,683,224.04	Capital .....	\$ 10,000,000.00
UNITED STATES SECURITIES .....	51,382,318.62	Surplus .....	10,000,000.00
Municipal Bonds and Other Securities .....	5,609,545.68	Undivided Profits .....	1,518,723.99
Loans and Discounts .....	108,627,089.28	Reserved for Dividends .....	350,000.00
Commodity Loans .....	22,391,057.29	Reserved for Taxes, Interest and Other Purposes .....	3,659,828.24
Future Banking Home .....	1,727,893.79	Letters of Credit .....	8,200,409.98
Other Real Estate .....	300,001.00	Acceptances .....	4,507,807.72
Vaults, Furniture and Fixtures .....	1.00	Less Own Acceptances Held for Investment .....	2,266,571.50
Interest Accrued on Investments .....	1,042,657.33		2,241,236.22
Customers Liability Under Letters of Credit .....	8,200,409.98	Deposits:	
Customers Liability Under Acceptances .....	2,235,146.22	Individual, Firm and Corporation .....	196,445,436.04
Other Resources .....	28,854.37	Bank (Net) .....	49,032,893.05
	<u>\$287,206,198.60</u>	United States .....	5,757,871.08
			<u>251,238,000.17</u>
			<u>\$287,206,198.60</u>

THE SECOND NATIONAL BANK OF HOUSTON

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**The Recordak Supermatic Microfilmer** photographs fronts and backs simultaneously at 40-1 reduction ratio, highest available today. Six additional features.





The Recordak Bantam Microfilmer is a desk-top unit with built-in automatic feeder. It photographs over 500 checks per minute at 40-1 reduction ratio.



The Recordak Duplex Microfilmer photographs fronts and backs simultaneously at high-speed and high-reduction ratio. Endorses or cancels in same operation.



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One of these Recordak Microfilmers will do the job at lowest per-picture cost

**T**HE secret of operating at lowest cost is simply this: Use the microfilmer that fits your requirements. Pay for what you need—nothing more.

Big bank or small, Recordak lets you match your requirements. It offers 6 types of microfilmers designed for all banks, all budgets. And it shows you the per-picture cost—based on your volume—for each microfilmer. You know *before you buy or rent* which is best for you.

If your bank is large, your choice may be the new Recordak Supermatic Microfilmer, which photographs the fronts and backs of checks simultaneously at a 500 per minute clip. It costs \$3300; rents for \$76.50 per month. On the other hand, if volume is small, you may choose the Recordak Junior Microfilmer. It photographs 25 or more checks per minute... can be purchased for \$450 to \$1200, according to model; rented for \$17.50 to \$25 per month.



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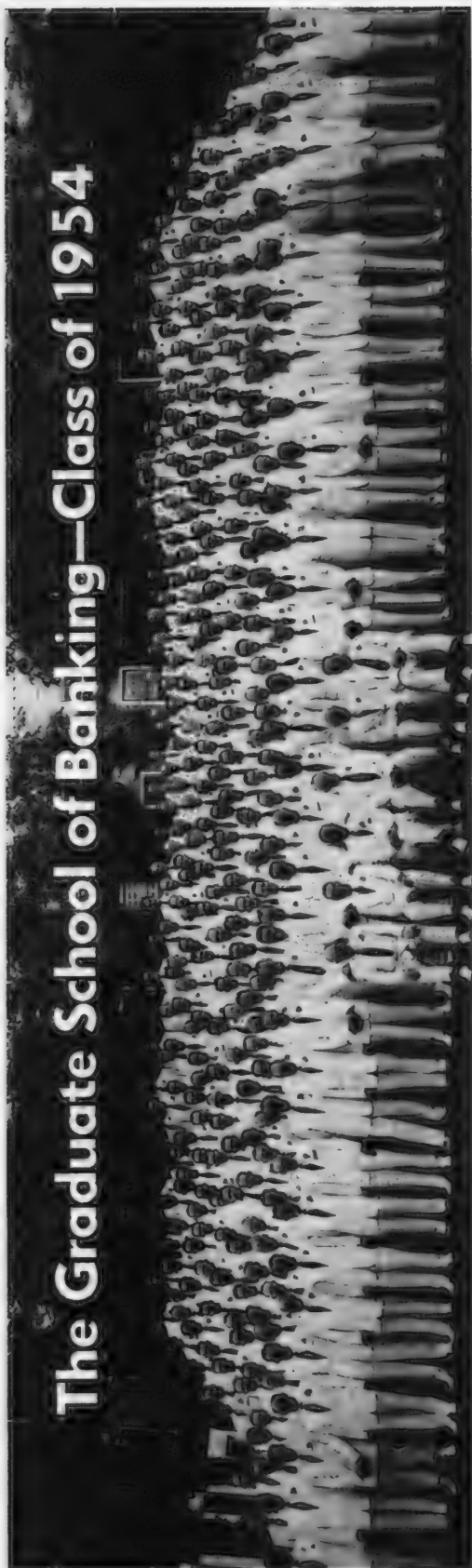


## RECORDAK

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**originator of modern microfilming—  
and its application to banking systems**

# The Graduate School of Banking—Class of 1954



Seated in front of members of the graduating class are, *left to right*: William Powers, G.S.B. Registrar; Everett D. Reese, A.B.A. President and president, Park National Bank, Newark, Ohio; Dr. Lewis Webster Jones, president of Rutgers University; Dr. Harold Stonier, A.B.A. Executive Vice-President and G.S.B. Director; Dr. Joseph E. Hughes, chairman of G.S.B. Board of Regents and president, County Trust Company, White Plains, New York; Dr. E. Sherman Adams, G.S.B. Assistant Director

## G.S.B. Completes 20th Session

To have real meaning, education must be converted into greater usefulness to oneself and to others, Everett D. Reese, president of the American Bankers Association, told the 320 members of the graduating class of The Graduate School of Banking at Rutgers University. Mr. Reese, who is president of the Park National Bank of Newark, Ohio, delivered the charge to the class of 1954 at the School's commencement exercises, marking completion of the School's 20th session.

"Education without purpose is meaningless," Mr. Reese told the graduating class. "One of the great needs in banking is to have a mental attitude of desiring to serve the financial needs of all of our people most competently and resourcefully. Each of you caught a vision of the value of continuing your education and did something about it. You made the sacrifices necessary to take this long step forward. It is to such men as you that banking must look for vision and leadership. To a large extent the future of banking is in your hands."

Diplomas at the commencement exercises were presented by Joseph E. Hughes, chairman of the board of regents of the School, and president of The County Trust Company, White Plains, New York. Dr. Harold Stonier, director of the School and executive vice-president of the American Bankers Association, presided.

### Hill Award Presented

During the commencement, the Richard W. Hill Award to the oldest member of the graduating class was presented to James W. Rowse, assistant treasurer of the Maine Savings Bank, Portland, Maine. The award was established several years ago in memory of the late Richard W. Hill, first registrar of the G.S.B., and to honor the oldest member of the graduating class for his interest in furthering banking education and the inspiration given to younger officers of banks. The citation reads: "The Richard W. Hill Award is presented to James W. Rowse by the Board of Regents of The Graduate School of Banking in recognition of his achievement as the oldest member of the class of 1954. This Award is a testimonial to his interest and belief in adult education. He has exemplified that belief by meeting successfully all the standards prescribed for a diploma of The Graduate School of Banking. In doing so, he has been an inspiration to younger bank officers and has enhanced the prestige of our calling."

### Class Officers Elected

During this year's session, permanent officers of the Class of 1954 were elected. They are: Robert G. Mullen, assistant secretary, Continental Illinois National Bank

and Trust Company, Chicago, *president*; Ernest F. Stockwell, assistant manager, Berkeley Street Office, The First National Bank of Boston, *secretary*; and Warren K. Young, comptroller, Denver (Colorado) National Bank, *class representative on the School's board of regents*.

Three groups within the student body also elect officers or committees to represent them in the activities of the School while they are on the Rutgers campus. This year the men in the savings management major elected William J. Hyland, Howard Savings Institution, Newark, New Jersey, *president*; Robert K. Turney, Bridgeport Peoples Savings Bank, Bridgeport, Connecticut, *vice-president*; and Robert D. Miller, Home Savings Bank, Boston, *secretary*.

The students in the investments major elected two members to a standing committee to take the place of two graduating seniors. They are: Joseph Mazzola, Chemical Bank & Trust Company, New York City; and John M. Harris, Northern Minnesota National Bank, Duluth.

Students taking the trust major also elected a committee to represent them. Members are: Joseph T. Gough, Jr., National Bank of Commerce, Portland, Maine; Carter J. Lynch, Jr., American National Bank and Trust Company, Chattanooga; Stewart E. McFadden, National Bank of Detroit; Thomas H. McGovern, Jr., Industrial Trust Company, Providence; Gerard K. Sandweg, Mercantile Trust Company, St. Louis; Lewis W. Smith, Irving Trust Company, New York City; and Joseph F. Tierney, Federal Reserve Bank, New York City.

### 1,070 Bankers

The student body at this year's session was composed of 1,070 bank officers, representing 43 states, the District of Columbia, Alaska, Puerto Rico, and El Salvador. States west of the Mississippi sent 129 bankers; 158 were from the deep South.

The Graduate School was in session this year at Rutgers University from June 14 to 26. Graduation exercises were held on Friday, June 25. Classes occupied the daytime hours during the two weeks, with seminars and sub-majors in the evening. One of the seminars was conducted by Dr. W. Randolph Burgess, Deputy to the Secretary of the Treasury. The other featured James Burnham, author and former professor of philosophy at New York University. Other evening sessions consisted of three sub-major courses.

Four major subjects are offered by the school—commercial banking, trusts, investments, and savings management. The faculty for the 1954 session numbered 58 regular members and 34 special lecturers.

Following is the complete roster of the Class of 1954:

#### ALABAMA

LOTT, KEN L., Merchants National Bank, Mobile  
RAPIER, REGINALD G., American National Bank & Trust Company, Mobile  
SLEDGE, EDWARD S., II, First National Bank, Mobile  
STIVERS, RAY J., Birmingham Trust National Bank, Birmingham  
TATE, WILLIAM B., JR., Federal Deposit Insurance Corporation, Montgomery

#### ARKANSAS

PENICK, EDWARD M., Worthen Bank & Trust Company, Little Rock  
PYEATT, WAYNE W., The Searcy Bank, Searcy

#### CALIFORNIA

DROLET, LEWIS E., Security Trust & Savings Bank, San Diego  
KENWAY, ERIC E., Citizens National Trust & Savings Bank, Los Angeles

SCHMITZ, GEORGE W., Wells Fargo Bank & Union Trust Company, San Francisco  
STOCKBRIDGE, FRANKLIN, Security-First National Bank of Los Angeles, Los Angeles  
WARD, CARL E., American Trust Company, San Mateo  
WARREN, HORATIO, Bank of America N.T. & S.A., Fullerton  
WEICHERT, BARTLEY G., Bank of America N.T. & S.A., Marysville

#### COLORADO

CAVANAUGH, LESLIE H., Colorado National Bank, Denver  
YOUNG, WARREN K., The Denver National Bank, Denver

#### CONNECTICUT

ANDERSON, CLYDE E., Bridgeport Peoples Savings Bank, Bridgeport  
BUCK, CHARLES ALBERT, Society for Savings, Hartford  
BUDD, FORREST S., Hartford National Bank & Trust Company, New Haven  
CHADWICK, FRANK G., JR., First National Bank & Trust Company, New Haven  
CONNELLY, JAMES T., Connecticut State Banking Department, Hartford  
DAVIS, ROBERT N., JR., State Savings Bank, Hartford  
ELT, ATWOOD C., Hartford National Bank & Trust Company, Hartford  
GRILLO, GEORGE F., The First National Bank & Trust Company of New Haven, New Haven  
HOTCHKISS, RAYMOND E., City Savings Bank, Bridgeport  
HOYT, SPENCER S., The Tradesmen's National Bank, New Haven  
LANGLEY, WILLIAM C., Middletown Savings Bank, Middletown  
PEASLEY, PAUL A., The Stamford Trust Company, Stamford  
STANLEY, LEO F., Society for Savings, Hartford  
STUCKLAND, JAMES L., Hartford National Bank & Trust Company, New London  
TURNER, GILBERT C., Bristol Bank & Trust Company, Bristol  
VAUGHN, WILLIAM M., JR., The First-Stamford National Bank & Trust Company, Glenbrook  
WILBER, CHARLES R., Burritt Mutual Savings Bank, New Britain

#### DELAWARE

BOLTON, A. CLEAVER, Equitable Security Trust Company, Wilmington  
DOHERTY, JAMES F., Farmers Bank of the State of Delaware, Wilmington  
RECE, GEORGE A., Equitable Security Trust Company, Wilmington

#### DISTRICT OF COLUMBIA

BEHABETZ, JOHN J., The Riggs National Bank, Washington  
BROGMUS, DYER J., Federal Deposit Insurance Corporation, Washington  
CRINKLEY, W. DILLARD, American Security & Trust Company, Washington  
HILD, ROBERT P., The Riggs National Bank, Washington  
LOYD, ROBERT J., Federal Deposit Insurance Corporation, Washington  
RILEY, JOSEPH H., National Savings & Trust Company, Washington  
SMITH, WILLIAM H., The Riggs National Bank, Washington

#### FLORIDA

DYAL, CLAYBORNE D., JR., First National Bank, Orlando  
JACKSON, RAYMOND E., Florida Bank & Trust Company, Winter Park

Officers elected by the Class of 1954: Robert G. Mullen, *left*, Continental Illinois National Bank and Trust Company, Chicago, permanent class president; and Ernest F. Stockwell, First National Bank of Boston, permanent secretary



## GEORGIA

CROWE, NED E., The First National Bank & Trust Company, Macon  
 DOWNS, WILLIAM N., The First National Bank & Trust Company, Macon  
 DUNN, ROBERT H., Trust Company of Georgia, Atlanta  
 FURNISS, JAMES P., Citizens & Southern National Bank, Atlanta  
 GODSHALL, ROBERT E., Trust Company of Georgia, Atlanta  
 HAINES, WALTER L., Fourth National Bank, Columbus  
 HILL, LAMAR B., First National Bank, Cartersville  
 MILLER, FRANK D., Citizens & Southern National Bank, Atlanta  
 MILNER, JOSEPH A., Federal Deposit Insurance Corporation, Atlanta  
 SOUDER, REDDING C., JR., The First National Bank & Trust Company, Macon  
 WRAY, CHARLES W., Fulton National Bank, Atlanta

## IDAHO

KUHN, CALVIN L., Idaho First National Bank, Idaho Falls

## ILLINOIS

DILATUSH, LUTHER C., American National Bank & Trust Company, Chicago  
 EDLER, FRANCIS C., Federal Reserve Bank, Chicago  
 FAIRS, C. RONALD, La Salle National Bank, Chicago  
 HUMPHREY, ROBERT C., Commercial National Bank, Peoria  
 KAHN, HENRY S., Harris Trust and Savings Bank, Chicago  
 KIMMEL, JOHN, Mercantile National Bank, Chicago  
 LEE, ROBERT C., Chicago Title & Trust Company, Chicago  
 MILLER, GEORGE W., The First National Bank, Chicago  
 MULLEN, ROBERT G., Continental Illinois National Bank & Trust Company, Chicago  
 ROOS, ROLAND C., The Northern Trust Company, Chicago

## INDIANA

TETRICK, CYRIL E., First National Bank, Kokomo  
 THOMPSON, H. REED, Fletcher Trust Company, Indianapolis

## IOWA

CAIRO, WILLIS O., Central National Bank & Trust Company, Des Moines  
 FROST, DEE L., Iowa-Des Moines National Bank, Des Moines  
 JORDAN, EDMUND H., Federal Deposit Insurance Corporation, Burlington

## KANSAS

KRUEGER, RALPH L., The Johnson County National Bank & Trust Company, Prairie Village

## KENTUCKY

KANE, CHARLES J., Citizens Fidelity Bank & Trust Company, Louisville  
 ZETTEL, HOUSTON F., Citizens Fidelity Bank & Trust Company, Louisville

## MAINE

CUNNINGHAM, ALBERT H., Bar Harbor Banking & Trust Company, Bar Harbor  
 PHILLIPS, JAMES A., Norway National Bank, Norway  
 ROWSE, JAMES W., Maine Savings Bank, Portland

## MARYLAND

JUSTIS, CALVIN L., Mercantile-Safe Deposit & Trust Company, Baltimore

MOFFAT, JAMES, Mercantile-Safe Deposit & Trust Company, Baltimore

## MASSACHUSETTS

ADAMS, HARRY E., JR., Haverhill Savings Bank, Haverhill  
 AUSTIN, MALCOLM E., Middlesex County National Bank, Everett

Pictured at the G. S. B. are, left to right: Merle E. Seelman, executive manager, A.B.A.; Dr. W. Randolph Burgess, Deputy to the Secretary of the Treasury; Dr. Harold Stonier, executive vice-president, A.B.A., and director of The Graduate School of Banking; A. L. M. Wiggins, chairman of the board, The Bank of Hartsville, South Carolina



BERGE, ANSGAR R., Federal Reserve Bank, Boston  
 BLACK, PAUL G., National Shawmut Bank, Boston  
 BRADLEY, HERBERT H., Old Colony Trust Company, Boston  
 GOWER, STANLEY M., JR., Wellesley National Bank, Wellesley Hills  
 GRAHAM, JOHN F., Norfolk County Trust Company, Brookline  
 HINES, CONRAD H., Old Colony Trust Company, Boston  
 HOPKINS, JEROME I., National Shawmut Bank, Boston  
 KENNEDY, WILLIAM R., Union Market National Bank, Watertown  
 MCCORMACK, MARSHALL H., State Street Trust Company, Boston  
 MIDDLETON, ROBERT E., Brockton National Bank, Brockton  
 MULLALLY, JOHN P., Old Colony Trust Company, Boston  
 NEWCOMB, LAWRENCE, The First National Bank, Boston  
 STOCKWELL, ERNEST F., JR., The First National Bank, Boston  
 WETHERBEE, NATHANIEL G., Granite Trust Company, Quincy  
 WILDE, WILLIAM J., The First National Bank, Boston  
 WINNE, A. EVERETT, Springfield Institution for Savings, Springfield

## MICHIGAN

BAYHA, KENNETH L., First State Bank, Petoskey  
 GAY, HOWARD L., Citizens Commercial & Savings Bank, Flint  
 GROOVER, CHARLES E., Citizens Commercial & Savings Bank, Flint

## MINNESOTA

BUFFINGTON, ARTHUR C., First National Bank, Minneapolis  
 COWAN, STANLEY A., American National Bank, St. Paul  
 DEPPA, JEROME M., Comptroller of the Currency, Minneapolis  
 DREIZLER, RALPH J., Federal Reserve Bank, Minneapolis  
 GOBLISCH, JAMES G., First Grand Avenue State Bank, St. Paul

## MISSOURI

HINE, MAURICE, The Boatmen's National Bank, St. Louis  
 LACKETT, JOHN J., Mercantile Trust Company, St. Louis  
 MUNCY, JOYCE K., Federal Deposit Insurance Corporation, St. Louis  
 RICHARDSON, CHESTER L., Mercantile Trust Company, St. Louis  
 SUTTER, DELBERT I., Federal Deposit Insurance Corporation, Kansas City  
 THOMAS, ROBERT E., Federal Reserve Bank, Kansas City  
 WINTER, ALBERT W., Mercantile Trust Company, St. Louis

## MONTANA

DYKSTRA, DANIEL, Union Bank & Trust Company, Helena

## NEW HAMPSHIRE

CHANDLER, JAMES E., Indian Head National Bank, Nashua  
 DALTON, JOHN F., Mechanics National Bank, Concord  
 FARMER, RALPH W., Merchants Savings Bank, Manchester  
 SOUTHWORTH, FRANCIS N., First National Bank, Concord

## NEW JERSEY

CANTILINA, ALEX J., First National Bank and Trust Company, Paterson  
 EVANS, HAROLD, Morris County Savings Bank, Morristown  
 FINCH, DONALD B., First National Bank & Trust Company, Kearny  
 FORBES, MURRAY, Howard Savings Institution, Newark  
 FOULKES, WILLIAM W., Jr., Hudson County Trust Company, Union City  
 FRESWICK, JOHN J., County Bank and Trust Company, Passaic  
 GILMARTIN, GEORGE V., Federal Trust Company, Newark  
 HOGGER, JAMES, The Trust Company of New Jersey, Jersey City  
 HUGHES, GEORGE G., JR., Howard Savings Institution, Newark  
 KLINGER, RAYMOND J., First National Bank & Trust Company, Summit  
 MACGRATH, WILLIAM S., Fidelity Union Trust Company, Newark  
 MASTERTON, HUGH M., First National Bank & Trust Company, Paterson  
 PABST, EMIL L., Federal Trust Company, Newark  
 ROBBINS, GEORGE G., Tradesmens Bank & Trust Company, Vineland  
 STOLL, JOHN T., North Bergen Trust Company, North Bergen  
 WADSWORTH, JACK E., Maplewood Bank & Trust Company, Maplewood  
 WRIGHT, DOUGLAS C., Fidelity Union Trust Company, Newark

## NEW YORK

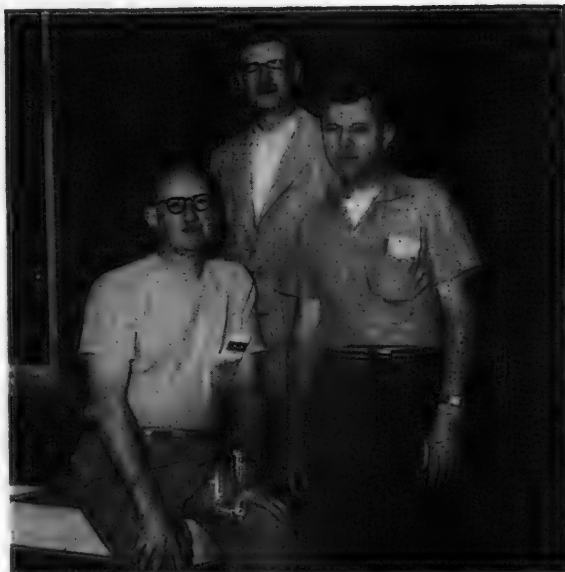
BAKER, SEWARD J., Harlem Savings Bank, New York  
 BRICE, MAURICE J., Brick Discount Corporation, Buffalo  
 CRIKLIAN, KENNETH, Richmond County Savings Bank, Staten Island  
 CLIFFORD, PATRICK J., The Franklin National Bank, Franklin Square  
 COLE, WILLIAM H., The Hanover Bank, New York  
 COLLINS, JOHN A., The Chase National Bank, New York  
 DAVIS, PIERCE M., Irving Trust Company, New York  
 DE HART, ARTHUR W., Bowery Savings Bank, New York  
 DEMAREST, GEORGE W., Discount Corporation of New York, New York  
 DE PALMA, JOHN T., Bank of the Manhattan Company, New York  
 DONAHUE, JAMES J., Bowery Savings Bank, New York  
 DRISCOLL, WALTER G., East River Savings Bank, New York  
 EDINGER, ROBERT H., First Trust & Deposit Company, Syracuse  
 FEIT, BENJAMIN, Manufacturers Trust Company, New York  
 FICHTEL, RUDOLPH R., American Bankers Association, New York  
 FISHER, DAVID N., The Hanover Bank, New York  
 FLEISS, JOSEPH H., JR., The National City Bank of New York, New York  
 FOX, JOHN F., Security Trust Company, Rochester  
 FREDERICKS, LA VERNE L., Lincoln Rochester Trust Company, Rochester  
 GARRICK, GREGORY K., Bankers Trust Company, Jamaica  
 GLEASON, HAROLD V., Hamburg Savings Bank, Brooklyn  
 GODDARD, RALPH F., Eastchester Savings Bank, Mount Vernon  
 HALLIDAY, DONALD A., United States Trust Company, New York  
 HAYDEN, LUKE S., Syracuse Savings Bank, Syracuse  
 HEMINK, LLOYD W., The Marine Trust Company of Western New York, Buffalo  
 HENRY, RICHARD S., Jamaica Savings Bank, Fresh Meadows  
 HERTZ, RUDOLF H., The Merchants Bank of New York, New York  
 HEWSON, ELMER L., Manufacturers and Traders Trust Company, Buffalo  
 HORNER, WILLIAM M., Manufacturers Trust Company, New York  
 HOULE, J. BARKER, Troy Savings Bank, Troy  
 HUTTON, RAYMOND F., Columbus Trust Company, Newburgh  
 HYLAND, THOMAS M., The County Trust Company, White Plains



## ATTENDANCE BY STATES—1954

	1954	1955	1956	Total
Alabama	5	7	4	16
Arkansas	2	2	1	5
California	7	7	6	20
Colorado	2	3	2	7
Connecticut	17	19	20	56
Delaware	3	3	4	10
District of Columbia	8	8	11	27
Florida	2	2	2	6
Georgia	11	6	10	27
Idaho	1	..	..	1
Illinois	10	4	8	22
Indiana	2	5	2	9
Iowa	3	3	4	10
Kansas	1	1	1	3
Kentucky	2	5	1	8
Louisiana	..	2	..	2
Maine	3	4	10	17
Maryland	2	6	3	11
Massachusetts	18	31	40	89
Michigan	3	3	4	10
Minnesota	5	8	5	18
Mississippi	..	1	1	2
Missouri	7	6	5	18
Montana	1	2	1	4
New Hampshire	4	1	5	10
New Jersey	17	23	22	62
New York	81	86	93	260
North Carolina	9	13	16	38
North Dakota	..	..	1	1
Ohio	15	18	16	49
Oklahoma	1	..	1	2
Oregon	..	1	..	1
Pennsylvania	35	29	51	115
Rhode Island	3	2	4	9
South Carolina	2	2	3	7
South Dakota	..	..	1	1
Tennessee	3	5	7	15
Texas	12	10	13	35
Utah	1	..	..	1
Vermont	..	..	2	2
Virginia	17	13	17	47
Washington	..	1	1	2
West Virginia	1	..	2	3
Wisconsin	3	2	1	6
Alaska	1	..	..	1
El Salvador	..	1	..	1
Puerto Rico	..	3	1	4
	<b>320</b>	<b>348</b>	<b>402</b>	<b>1,070</b>

JOHNSTONE, JOHN M., JR., Federal Deposit Insurance Corporation, New York  
 KAESTNER, FRANK W., The Hanover Bank, New York  
 KEEGAN, HAROLD J., Manufacturers National Bank, Troy  
 KNOTT, JOHN S., Guaranty Trust Company of New York, New York  
 KNUTH, LEONARD J., The National City Bank of New York, Brooklyn  
 KOECHEL, JOSEPH B., The Bank of New York, New York  
 KOLKEBECK, ARNOLD W., Brooklyn Savings Bank, Brooklyn  
 KROUSE, HENRY A., Albany Savings Bank, Albany  
 LAFFAN, EDMUND, First of Boston International Corporation, New York  
 LELLEK, MARK, The County Trust Company, Larchmont  
 LEWIS, HAROLD W., Federal Reserve Bank, New York  
 LIVINGSTON, JOHN W., Marine Trust Company of Western New York, Buffalo  
 LONDON, FREDERICK W., New York State Banking Department, New York  
 McGRATH, JOHN D., Marine Trust Company of Western New York, Niagara Falls  
 McLOUGHLIN, FRANK B., JR., Union Square Savings Bank, New York  
 MARPLE, WILLIAM E., Federal Reserve Bank, New York  
 MAYER, ROBERT G., Bank of America N.T. & S.A., New York  
 MELANDER, EVERET O., Corn Exchange Bank Trust Company, New York  
 MILLER, CHARLES H., Dime Savings Bank, Brooklyn  
 MINEHAN, JOSEPH J., Marine Midland Trust Company, New York  
 MOHAN, PHILIP V., First of Boston International Corporation, New York  
 MOTMAHAN, JOHN J., New York State Banking Department, New York  
 MYLES, JOSEPH F., Guaranty Trust Company of New York, New York  
 NIRMAYER, JOHN A., Bank of the Manhattan Company, New York



Savings Management Group Officers, l. to r.: President, William J. Hyland, Howard Savings Institution, Newark, N. J.; secretary, Robert D. Miller, Home Savings Bank, Boston; vice-president, Robert K. Turney, Bridgeport Peoples Savings Bank, Bridgeport, Conn.

PEARCE, HAROLD A., Kings County Savings Bank, Brooklyn  
 PETERS, FLOYD A., Columbus Trust Company, Newburgh  
 PICKSLAY, F. FRITH, JR., Guaranty Trust Company of New York, New York  
 QUACKENBUSH, LAWRENCE E., Federal Reserve Bank, New York  
 RUSSO, DANIEL, Bushwick Savings Bank, Brooklyn  
 SAMPSON, RAYMOND H., City Bank Farmers Trust Company, New York  
 SAVIDGE, EDGAR T., American Bankers Association, New York  
 SAWERS, ANDREW S., Manufacturers Trust Company, New York  
 SELVAGE, JOHN C., Irving Trust Company, New York  
 SNEED, HOWARD, The Chase National Bank, New York  
 STAM, ALFRED E., The County Trust Company, Tarrytown  
 STEADMAN, EDWARD G., Nassau County National Bank, Rockville Centre  
 STETKA, LUDWIG J., The Bank for Savings, New York  
 STEVENS, JOHN W., City Bank Farmers Trust Company, New York  
 STOCKDALE, JOHN H., The Chase National Bank, New York  
 SULLIVAN, JOHN F., New York State Banking Department, New York  
 THULIN, MARTIN S., Lincoln Rochester Trust Company, Rochester  
 TIETJEN, WALTER H., Bowery Savings Bank, New York  
 WALL, CHARLES B., The Marine Trust Company of Western New York, Kenmore  
 WALSH, DANIEL J., The National City Bank, New York  
 WALTON, A. CHESTER, Federal Reserve Bank, New York  
 WEINMANN, RAYMOND V., Federal Deposit Insurance Corporation, New York  
 WERNER, JOSEPH L., Hamburg Savings Bank, Brooklyn  
 WILLARD, RAYMOND L., National Bank & Trust Company, Norwich  
 WOOSTER, IVAN G., Binghamton Savings Bank, Binghamton  
 WORTHY, ROBERT C., The Community Savings Bank, Rochester

### NORTH CAROLINA

BEARD, WILBUR F., Commercial & Industrial Bank, Fayetteville  
 BROWN, ARTHUR W., Wachovia Bank & Trust Company, Raleigh  
 DRAPER, EDSON V. S., Planters National Bank & Trust Company, Rocky Mount  
 HARRISS, MEADER W., JR., National Bank of Sanford, Sanford  
 KOONTZ, DOUGLAS J., Wachovia Bank & Trust Company, Asheville  
 McDAVID, JAMES E., SR., First-Citizens Bank & Trust Company, Fayetteville  
 PADGETT, JAMES CALVIN, Citizens Bank, Charlotte  
 WENTZ, MAURICE H., American Trust Company, Charlotte  
 WORLEY, BLAND W., Wachovia Bank & Trust Company, High Point

### OHIO

BARKER, EDWARD E., JR., The National City Bank, Cleveland  
 CHASE, DAY L., Old Phoenix National Bank, Medina  
 FARRAR, WILLIAM H., The Huntington National Bank, Columbus  
 FOLKERTH, RICHARD R., Winters National Bank & Trust Company, Dayton  
 HARPER, WILLIAM W., First National Bank, Zanesville  
 JULIUS, CARL H., The Toledo Trust Company, Toledo  
 KLEMMAT, RAY M., Central Trust Company, Cincinnati  
 McKNIGHT, JOHN F., The Richland Trust Company, Mansfield  
 ORIN, JAMES E., Federal Reserve Bank, Cleveland  
 PRUITT, CHARLES C., JR., Fairfield National Bank, Lancaster  
 REID, ROBERT A., The National City Bank, Cleveland  
 RICHARDS, ROBERT W., Union Bank of Commerce, Cleveland  
 VON INS, ROT E., City National Bank & Trust Company, Columbus  
 VUNDERINK, RUSSELL E., The National City Bank, Cleveland  
 WILSON, JOHN R., Central National Bank, Cleveland

## OKLAHOMA

SLOAN, KENNETH N., The Liberty National Bank & Trust Company, Oklahoma City

## PENNSYLVANIA

ALEXANDER, J. BEATTY, The First National Bank, Philadelphia  
 ALLER, J. B., The First National Bank, Grove City  
 BREYER, WALTER JR., Wolfe and Company, Philadelphia  
 BRUBACH, DAVID J., Union National Bank of Pittsburgh, Pittsburgh  
 CARTER, HAROLD, Girard Trust Corn Exchange Bank, Philadelphia  
 CHAPMAN, HARRY MORGAN, The Colonial Trust Company, Wilkinsburg  
 EBERT, LEONARD T., Philadelphia Saving Fund Society, Philadelphia  
 FARR, HENRY C., Provident Trust Company, Philadelphia  
 FRANKLIN, ROBERT D., The First National Bank, Philadelphia  
 GRAHAM, ROBERT E., York National Bank & Trust Company, York  
 GREE, WILBERT S., William Penn Bank of Commerce, Pittsburgh  
 GROSS, W. DAVID, Snyder County Trust Company, Selinsgrove  
 JACKMAN, RICHARD L., Mill Hall State Bank, Mill Hall  
 JOHNSON, HARRY E., The Philadelphia National Bank, Philadelphia  
 KALICK, MEDARD K., Bryn Mawr Trust Company, Bryn Mawr  
 KELLER, PAUL J., Farmers Bank and Trust Company, Lancaster  
 KNIER, LAWRENCE T., Robert Morris Associates, Philadelphia  
 LAMON, RUSSELL, Provident Trust Company, Philadelphia  
 LEIGH, JOHN L., The Pennsylvania Company for Banking & Trusts, Philadelphia  
 LEWIS, RALPH G., Federal Deposit Insurance Corporation, Philadelphia  
 LLOYD, CALVIN A., Lock Haven Trust Company, Lock Haven  
 LONGDEN, THOMAS E., The Pennsylvania Company for Banking & Trusts, Philadelphia  
 MCCORD, HOWARD R., Stroudsburg Security Trust Company, Stroudsburg  
 MCTAGGART, JOHN, JR., The Pennsylvania Company for Banking & Trusts, Philadelphia  
 MARSHALL, JAMES M., Mellon National Bank & Trust Company, Pittsburgh  
 MYERS, HAROLD A., The Philadelphia National Bank, Philadelphia  
 O'CONNOR, WILLIAM A., First National Bank, Howard  
 PRICE, ROBERT R., Bank of Elizabeth, Elizabeth  
 RHODES, EDWARD A., Federal Reserve Bank, Philadelphia  
 RICHIE, RUSSELL W., Philadelphia Saving Fund Society, Philadelphia  
 SANDERSON, NORMAN H., Colonial Trust Company, Turtle Creek  
 SCHABACKER, DAVID M., The First National Bank of Erie, Erie  
 SOWERBY, GEORGE W., Forty Fort State Bank, Forty Fort  
 WETZEL, H. MYRON, The Wyoming National Bank, Wilkes-Barre  
 WOMER, ROBERT D., Lebanon County Trust Company, Lebanon

## RHODE ISLAND

HARRINGTON, WILLIAM, Savings Bank of Newport, Newport  
 KOLLER, HENRY F., Industrial National Bank, Providence  
 WORTHINGTON, NORMAN T., Citizens Trust Company & Citizens Savings Bank, Cranston

## SOUTH CAROLINA

HUNTLEY, CHARLES E., The Commercial Bank & Trust Company, Columbia  
 WHITE, JAMES B., Citizens Bank, Fountain Inn

## TENNESSEE

COPPEDGE, WALTER P., American National Bank & Trust Company, Chattanooga

**Left to right: A. S. Johnson, Comptroller of Rutgers University; William Powers, Registrar of G. S. B.; Dr. Harold Stonier, Director of G. S. B.**



## BANK OFFICERS AT 1954 SESSION

Title	1954	1955	1956	Total
President .....	2	..	3	5
Vice President .....	30	31	19	80
Assistant Vice President.....	57	40	40	137
Cashier .....	11	13	16	40
Assistant Cashier .....	55	64	85	204
Trust Officer .....	16	11	6	33
Assistant Trust Officer.....	24	33	34	91
Secretary .....	4	2	5	11
Assistant Secretary .....	19	23	28	70
Treasurer .....	2	4	4	10
Assistant Treasurer .....	25	31	39	95
Auditor .....	8	11	7	26
Assistant Auditor .....	3	1	4	8
Comptroller .....	5	5	1	11
Assistant Comptroller .....	1	1	5	7
Branch Manager .....	5	5	10	20
Assistant Branch Manager....	3	8	7	18
Department Head .....	11	19	19	49
Assistant Department Head...	2	5	9	16
Examiner .....	19	19	14	52
Miscellaneous .....	18	22	47	87
	320	348	402	1,070

PHILLIPS, WILLIAM G., JR., Union Planters National Bank, Memphis  
 WYCKOFF, JOHN C., II, The First National Bank, Memphis

## TEXAS

BROWN, WYLIE D., National Bank of Commerce, San Antonio  
 CORLEY, DONALD M., American National Bank, Beaumont  
 EDENS, EDWARD C., JR., Second National Bank, Houston  
 GARDINER, GORDON, Citizens National Bank, Waco  
 GEYER, EUGENE, First National Bank, Fort Worth  
 GRAY, JOHN E., First National Bank, Beaumont  
 KILMAN, HERMAN W., Federal Reserve Bank, Dallas  
 MCKENZIE, ALEX W., Tyler Bank & Trust Company, Tyler  
 MAYES, THORPE A., JR., El Paso National Bank, El Paso  
 SANCHEZ, RAMIRO, Laredo National Bank, Laredo  
 TYBOR, LOUIS P., Second National Bank, Houston  
 WILLIAMS, HENRY G., JR., Federal Deposit Insurance Corporation, Dallas

## UTAH

COWAN, FRANCIS J., Walker Bank & Trust Company, Salt Lake City

## VIRGINIA

ADAMS, ROSCOE S., JR., The Peoples National Bank, Charlottesville  
 ANDERSON, PAUL M., The Bank of Virginia, Richmond  
 BURGESS, EDWARD H., Seaboard Citizens National Bank, Norfolk  
 BURKE, JOHN E., The Citizens National Bank, Front Royal  
 CREEERY, PRESLEY T., Federal Reserve Bank, Richmond  
 CURTIS, WALTER R. S., Petersburg Savings & American Trust Company, Petersburg  
 DICKERSON, J. GORDON, JR., Federal Reserve Bank, Richmond  
 EDMUNDS, ARTHUR H., Bank of Clarke County, Berryville  
 HOLMES, FRESTON T., State-Planters Bank & Trust Company, Richmond  
 JEFFERSON, LLOYD U., SR., State-Planters Bank & Trust Company, Hopewell  
 MUIRE, EARL B., State-Planters Bank & Trust Company, Richmond  
 ORGAIN, JOHN B., JR., The Bank of Virginia, Richmond  
 RODGERS, EDWARD F., JR., First & Merchants National Bank, Richmond  
 SCHMIED, WILLIAM C., The Central National Bank, Richmond  
 TYLER, JOHN, JR., First & Merchants National Bank, Richmond  
 WEBB, PAUL, Bank of Hampton Roads, Hampton  
 WOODIE, FRED R., First National Exchange Bank, Roanoke

## WEST VIRGINIA

SELLARS, OSCAR W., The Charleston National Bank, Charleston

## WISCONSIN

BLAHA, ROLAND W., The Commercial & Savings Bank, Monroe  
 NORRIS, FRANK W., The Bank of Commerce, Milwaukee  
 O'NEILL, PAUL F., Federal Deposit Insurance Corporation, Madison

## ALASKA

GIBSON, JAMES A., First National Bank, Ketchikan

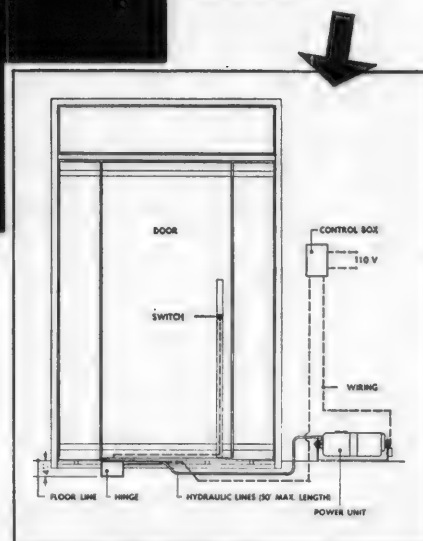
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# Oklahoman's Good Advice Includes Savings Bonds

**T**HE tenant was doubtful. "But, Mr. Priddy, who would buy that much spinach?"

C. L. Priddy, executive vice-president of the National Bank of McAlester, patiently went over his idea again.

"Look," he told the tenant, "I bought that 350 acre farm you live on for \$2,700. We've spent around \$1,000 in improvements. I think we can make money growing spinach. We won't have any trouble selling it because no one else is growing it in these parts. Let's try 45 acres this year and see what happens."

What happened is typical of the advice C. L. Priddy has been giving farmers of McAlester and his trade territory for many years. The 45 acres made two tons of spinach per acre on the 30 acres that were harvested. The rest was turned under and planted to onions. The first year Mr. Priddy got \$3,300 back on his investment of around \$3,700. The second year his share was \$2,800. Then he sold the farm to the tenant.

Shortly after Pearl Harbor, Mr. Priddy was approached by a group of Oklahoma businessmen and asked

to be one of the district chairmen for southeast Oklahoma in the sale of U. S. Savings Bonds. He had 13 counties assigned to him and was expected to make sure that these counties reached their quotas in War Bonds.

## A Record of Hard Work

The district chairman covered a lot of territory. He would do his regular bank work during the day and, when night came, would drive 400 and 500 miles tending to his Government's financial affairs. This he kept up until one day he could go no further and landed in the hospital for a complete rest. Even there he continued to promote the sale of Savings Bonds in his section of the state. The record bears out his hard work. The accumulative purchases of Series E and H Savings Bonds in Pittsburg County from January 1943 through April 1954 amount to \$17,203,766.

In order to sell a commodity you have to believe in it, Mr. Priddy says. "I believe there couldn't be a sounder investment than U. S. Savings Bonds and I tell farm people

and others that, for retirement purposes, they are the best investment I know. There are lots of prospects for Savings Bond purchases among farm people. If it were not for the Savings Bonds program I know a lot of farmers who wouldn't have anything today. I only have to give these folks a small reminder; they do the rest," he says.

The Pittsburg County banker is a community leader. One of the pioneer developers of the Southeast Oklahoma region, Mr. Priddy is interested in anything that might lead to its continuing prosperity. Southeast Oklahoma is not a rich section of the state. Many years ago the fertile topsoil washed from the hillsides into the valleys. Some bottom lands are rich, but mostly farm folks there have a rough time trying to eke out a living on the denuded hillsides.

## Honored by 4-H

In community activities, Mr. Priddy has been a Mason for 30 years and a worker in the Boy Scout movement for 25 years. Five years ago, he was given the highest award of the Oklahoma 4-H movement for his 20 years of support.

"I have never lost a penny on loans made to 4-H or FFA boys or girls to buy club projects," Mr. Priddy said. "However, there was one chicken deal that looked like it wouldn't pan out. But, right at the last minute, everything worked out and our record was saved."

Mr. Priddy was born 53 years ago on a farm near the town of Canadian, Oklahoma, coming to McAlester in 1924. He had worked as a youth for an oil company for several years and had kept books for the Canadian State Bank. The utility clerk position in the National Bank of McAlester was a good job.

(CONTINUED ON PAGE 72)



Banker Priddy and a 4-H member intently watch the judges during a fat lamb contest. Cash prizes won by 4-H and FFA members in Pittsburg County usually go into U. S. Savings Bonds for a fund that will start a livestock herd or sheep flock later on



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**a complete  
accounting job**

**simplified operation**

**reduced expenses**

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184 throughout Japan  
**Overseas Offices**  
London, New York and Calcutta

(CONTINUED FROM PAGE 70)

Eighteen years later he was directing the bank, and has been in complete charge for the past 12 years. Elmer Hale, president of the bank, is inactive.

The rise of the National Bank of McAlester is almost a Horatio Alger tale. It was started with \$15,000, 27 years ago. Today it has undivided profits and reserves of \$950,000, all earned except \$60,000, and has paid a dividend to stockholders every year. It has grown to \$11,500,000 in deposits. In its radius of 40 to 50 miles, it serves hundreds of rural families.

#### Annual Livestock Event

Each year the bank sponsors the Pittsburg County livestock show. All participants are entertained at a banquet held in the Aldridge Hotel in McAlester and a prominent speaker is provided. There are usually from 150 to 200 boys and girls and adults attending the affair. Thrift and livestock development are the keynote of each banquet.

The entire board of directors is vitally interested in Chamber of Commerce projects. Bringing in new industry is high on the calendar. Mr. Priddy serves as president of the McAlester Industries, a group of men who have formed a nonprofit organization with a capital structure of \$200,000, made up of donations from McAlester businessmen. Primary purpose of the organization is to bring industry to McAlester. The organization, only a few years in operation, has already brought a garment factory to town which employs 750 women and has an annual payroll of \$1,600,000. An airplane parts manufacturer is interested in moving to McAlester, and, when he does, more than 600 men will be employed there. The organization purchases factory sites and has them available for leasing, on very liberal terms, to various industries wanting to locate there.

Probably one of the most valuable pieces of advice that Mr. Priddy has given farmers and ranchers of the McAlester trade territory was his opinion on the livestock situation. Three years ago he warned farmers that cattle prices would likely decline.

"Sell your unthrifty animals, invest in U. S. Savings Bonds, and weather the storm," he urged, after

admonishing them to take a good look at their financial condition and at their herds.

As a result, herds were culled. Farmers tightened the livestock hatches for the price storm ahead. Seventy-five percent of the farmers of the county heeded his advice. They invested in Savings Bonds and savings accounts. The other 25% had rough sledding. But due to good financial advice, they, too, weathered the price storm. In fact, in 27 years the National Bank of McAlester has never had a foreclosure on a cattleman.

In summing up his activities in U. S. Savings Bonds activities, Mr. Priddy points out: "Some bankers think that money invested in Savings Bonds is gone forever. But it isn't. It comes right back to the bank, and some day it may come back when we need it most."

Yes, the farm boy from Canadian County has made quite an impact on the daily business life of McAlester, Oklahoma, and its surrounding territory. If you don't believe it just walk down the street and ask the merchants in the stores. Everyone we asked went into detail about the numerous constructive projects stemming from his activities. This is the best test of a man's ability—what the home folks think.

---

General Taxation is one General that may end wars.

*Every few days the Russians make fresh proposals about world problems, which is the kind they know how to make best.*

Those Republican politicians who would like to break the Solid South should remember the boll-weevil has been trying to do it for a century.

*Modern version: The sun never sets on American aid.*

All things come to him who waits, including old age.

*Appearance has much to do with one's success, but no more than success has to do with appearance.*

Russia's policy is to halve and to hold.

---



### Yesterday's losses can be insured now!

Indemnity's new excess Bankers' Blanket Bond insurance provides catastrophe protection for discovered losses in excess of a specified underlying amount. It applies whether the losses occurred before the bond was written or while it is in force.

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**GOVERNOR HOWARD PYLE** of Arizona signs a proclamation in honor of the 87th observance of Canada's founding on July 1, 1954. At right rear is Rudolf G. Zepeda, vice-president of the Valley National Bank's foreign department, who was requested by the Canadian Embassy in Washington to coordinate the observance in Arizona. At left rear is Carl A. Bimson, president of the Valley National Bank. Mr. Zepeda, as shown in the article on this page, has been responsible for a substantial growth in import-export trade between Canadian and Arizona business firms

# Foreign Trade Blooms in the Desert

**CHARLES W. PINE**

*The author is on the staff of the Valley National Bank of Phoenix.*

**T**HERE'S an intriguing story in the foreign department of the Valley National Bank of Phoenix. It's the story of an enterprising inland bank, located in a nonreserve city, that finances more than a million dollars in foreign trade transactions each month and enjoys a steadily expanding business with banks, firms, and individuals in 40 foreign countries.

Equally as remarkable as the flourishing contacts developed by a foreign department whose offices are located "in the midst of the Arizona desert" is the fact that this thriving operation is less than a decade old.

It was conceived in the mind of Walter R. Bimson in 1932, when he left Chicago to assume the Valley National's presidency. Mr. Bimson was convinced that a profitable potential for a foreign department existed—despite the bank's location in an inland city with a population then barely over the 40,000 mark.

It was not until the closing months of 1944, however—when Valley National had become the largest bank in the 8-state Rocky Mountain area—that Mr. Bimson handed Rudolf G. Zepeda, then assistant vice-president, the assignment of "organizing and developing a complete foreign department."

It was an admittedly difficult one. Mr. Zepeda had numerous contacts "south of the Border" and in Canada, but the import-export business was a new field to him. He immediately subscribed to every publication he could find on the subject, studied scores of books and manuals, and wrote to foreign trade authorities all over the world, frankly asking for advice.

## How To Begin

When he was satisfied he had a sound grasp of the many and complex functions of his new department, Mr. Zepeda swung into action. He began soliciting foreign banks for correspondent accounts; he drew up schedules of conditions for them, devised his own controls systems and commercial letter of credit

forms, and established travelers' letters of credit in every country where he succeeded in setting up a banking relationship. The Valley Bank's network of correspondents widened rapidly; by 1950 it included key banks throughout Mexico, several of the leading banks of Canada, and representative institutions in more than a score of overseas nations.

Meanwhile, Mr. Zepeda was also busy making Arizona business firms import-export conscious. As chairman of the Phoenix Chamber of Commerce's foreign trade committee, he staged a number of clinics to explain the mechanics involved in obtaining and financing foreign trade. In 1945, the Valley Bank purchased the First National Bank of Nogales. Today, Nogales is the second busiest port of entry on the entire United States-Mexico border and the gateway to the fast developing West Coast area of the latter nation.

In less than 10 years, Mr. Zepeda's department has racked up a multi-million-dollar volume in the credit field alone—including letters of credit for domestic and foreign trade financing, travelers' letters of credit, acceptances and bills of exchange financing, and foreign correspondent discounts. In addition, a substantial bank-by-mail deposit business has been developed with customers throughout the world.

## And Now—

Last year, Arizona ranked 29th among the 46 U. S. Customs districts, with a total import-export volume of \$85,000,000. Arizona products shipped to Mexico alone totaled \$43,000,000—and a good percentage of it was financed through the Valley Bank. The product list ranges from metals and machinery to chemicals and canned foodstuffs.

Encouraged by Mr. Zepeda and his staff, a number of Arizona enterprises now number Canadian sources among their best customers. Arizona grapes and cantaloupes, for example, bring premium prices in the marketplaces of Montreal and Toronto. But it's a two-way street. Arizona sells copper to Canada and buys wheat from it in return. Canadian-mined aluminum is fabricated in Phoenix, and Arizona-grown cotton finds a ready market in Canadian textile circles.

In addition to the complicated functions that mark the operation (CONTINUED ON PAGE 76)





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MORTGAGES ARE  
SOUND LONG-TERM  
INVESTMENTS**

**NATIONAL HOMES** combine  
**modern beauty** and **modern efficiency**



Today's families demand houses that are both pleasing in appearance and designed for easy living. National homes win public acceptance everywhere because of their advanced styling and step-saving floor plans, as well as their low cost. Investigate the many advantages offered by National Homes mortgages for *your* investment program.

A recent article in Redbook Magazine entitled "Blueprint for Luxury" describes and pictures the new National Ranger. You may have a full-color reprint on request.

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**FLOWER SEED PRODUCTION** in Southern California leads the world, and accounts for nearly three-fourths the total United States "crop." Value of this important local commodity is about \$2 million annually. Southern California's unique combination of favorable climatic conditions is responsible for its pre-eminence in this field. Most important production area is the Lompoc-Santa Maria Valley region of Santa Barbara County. This section alone yields more than half the flower seeds grown in the U.S., with a 1953 value of \$1½ million.

## SECURITY-FIRST NATIONAL BANK OF LOS ANGELES

FOUNDED 1879

### STATEMENT OF CONDITION

JUNE 30, 1954

#### RESOURCES

Cash and Due from Banks .....	\$ 396,608,939.22
U. S. Government Securities .....	\$1,019,653,549.67
State and Municipal Securities .....	66,733,608.10
Other Bonds and Securities .....	21,875,507.76
Loans (less reserves).....	504,350,413.66
Certificates of Interest of Commodity Credit Corporation .....	15,574,479.73
Earned Interest Receivable .....	7,913,716.85
Customers' Liability—Accept. and L/C .....	4,041,061.77
Bank Premises .....	3,930,563.20
Other Assets .....	103,710.41
<b>TOTAL .....</b>	<b>\$2,040,785,550.37</b>

#### LIABILITIES

Capital.....	\$ 37,500,000.00
Surplus .....	42,500,000.00
Undivided Profits ..	48,559,666.49
Reserves for Interest, Taxes, etc.....	15,923,166.64
Interest Collected—Unearned.....	4,125,714.08
Acceptances and Letters of Credit .....	4,041,061.77
Other Liabilities .....	271,819.28
Deposits—Time ....	\$ 634,404,079.46
—Demand ..	1,253,460,042.65
<b>TOTAL .....</b>	<b>\$2,040,785,550.37</b>

Securities carried at \$207,467,221.15 are pledged to secure trust funds and U. S. Government, State and other Public Monies, and for other purposes as required or permitted by law.

140 Offices and Branches serving Central and Southern California.

Member: Federal Reserve System, Federal Deposit Insurance Corporation

(CONTINUED FROM PAGE 74)

of any successful foreign department operation, the Valley Bank spends considerable time aiding present and potential customers to locate new import and export markets—all with an eye to developing foreign commerce.

Literally thousands of letters of introduction have been prepared for customers traveling abroad. A remarkably comprehensive credit information file has been built up. Available at a moment's notice is the latest information on trade possibilities, current conditions in foreign markets, and various governmental regulations.

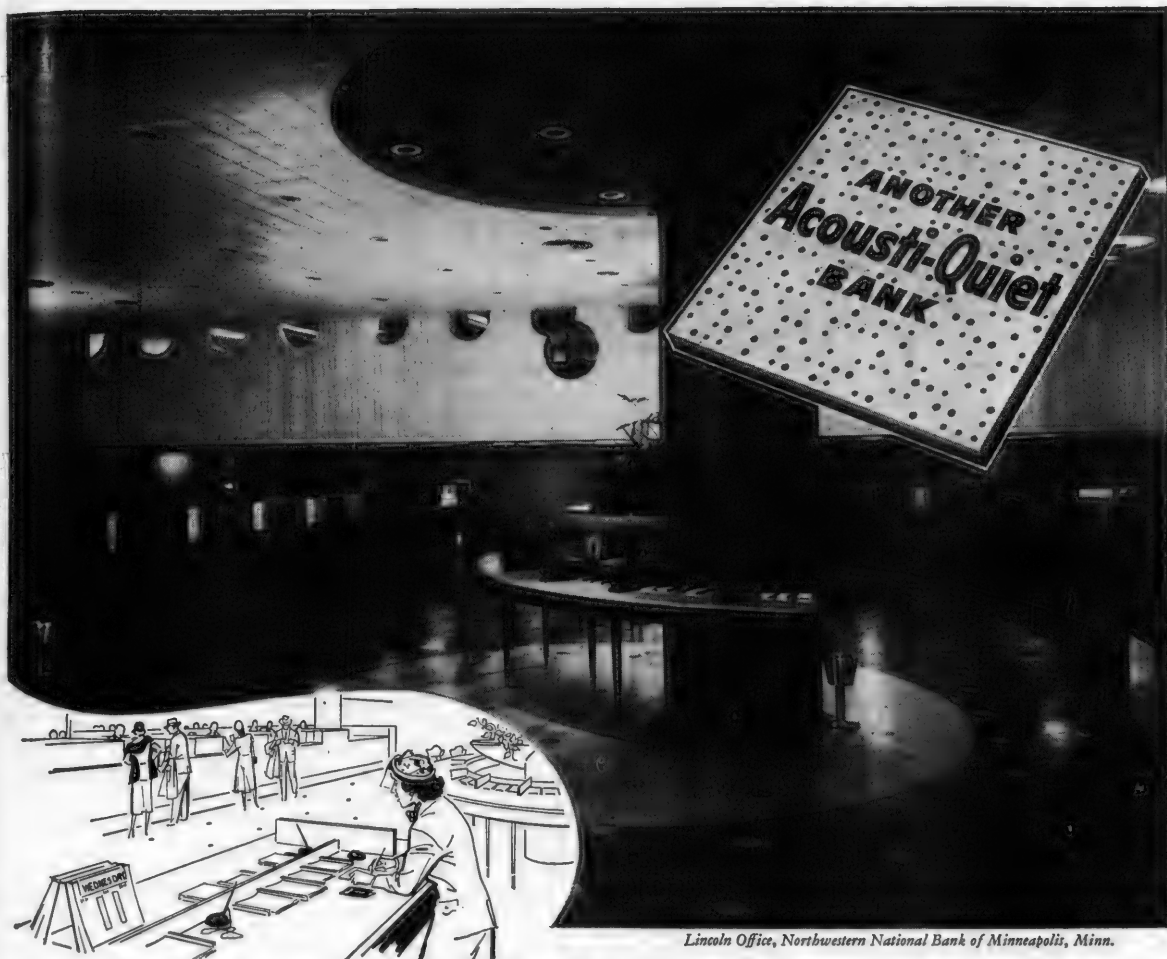
Last year Mr. Zepeda was named to the Department of Commerce's newly organized export advisory committee. When the appointment was announced in the press, he was rightfully described as a specialist in this country's business relationships with Mexico and the Latin American countries. In addition to this assignment, he also serves on the Commerce Department's West Coast advisory group. He is a past president of the Arizona Bankers Association.

#### A Few Rules

He says: "In dealing with a foreign country, make certain you're thoroughly acquainted with its geography, customs, and traditions. Never try to impose your way of thinking on your foreign friends. Remember that a thoroughly informed and tactful foreign trader is the finest ambassador our country can send to any nation. But don't be satisfied with just 'doing business' with foreign sources. Whenever possible, also sell the United States as their friend. You, too, have a responsibility in preserving freedom, democracy, and world peace."

Perhaps it's this philosophy—encouraged to the hilt by board chairman Walter Bimson and his brother Carl, now president of the Valley Bank—which accounts, in part at least, for the amazing growth of a foreign department whose headquarters are located in an inland, non-reserve city.

The horn of plenty starts some people on a toot.



Lincoln Office, Northwestern National Bank of Minneapolis, Minn.

## Beauty and efficiency you can bank on

To a bank's customers its quiet dignity inspires confidence. To its personnel this atmosphere is conducive to peak efficiency. Acousti-Celotex Sound Conditioning brings eye-appeal and quiet comfort that satisfies both a bank's patron and worker.

### Unusual Low Cost

An economical ceiling of Acousti-Celotex Tile provides banking rooms with sound-absorbing properties that virtually *invite* depositor activity. Vastly increased, too, is the efficiency of bank employees, the improved acoustical comfort helping to reduce mistakes and errors and to better morale.

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**Mail Coupon Now** for a Sound Conditioning Survey Chart that will bring you a *free analysis* of the acoustical problems in your bank, plus a free factual pamphlet, "Sound Conditioning in Banks." There is no obligation, of course.



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Without cost or obligation, send me the Acousti-Celotex Sound Conditioning Survey Chart, and your pamphlet, "Sound Conditioning in Banks."

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## That Surplus

(CONTINUED FROM PAGE 40)

normal relationship of feed and live-stock prices. They price him out of many natural markets both at home and abroad, at the same time encouraging the development of competitive synthetics and substitutes which may permanently shrink agricultural outlets. They place him in such a tight production strait-jacket that he loses most of his freedom to make management decisions.

When we pile up surpluses far in excess of normal reserve requirements, we are in effect borrowing from tomorrow's markets. Such practices can lead agriculture towards financial disaster just as certainly as borrowing against tomorrow's earnings can bankrupt an individual.

Today it is costing the Federal Government more than \$700,000 per day—a quarter of a billion dollars a year—just to store the commodities owned by CCC. One of the safest predictions I can make is that the bill will be larger in the months ahead.

All of these things, I believe, are compelling reasons for the adoption of the President's farm program recommendations. The Administration's plan was not presented as a panacea—in fact, there is no quick cure-all for agriculture's ills—but it will point our future farm programs in the direction we must take, toward better balanced production.



"Maybe I'd better come back when you're not so busy!"

BANKING



# Bank of America

NATIONAL TRUST AND SAVINGS ASSOCIATION

## Condensed Statement of Condition June 30, 1954

(Figures of Overseas Branches are as of June 24, 1954)

### RESOURCES

Cash in Vault and in Banks . . . . .	\$1,307,405,929.11
United States Government Securities and Securities Guaranteed by the Government . . . . .	1,904,890,364.35
Federal Agency Securities . . . . .	162,958,636.46
State, County, and Municipal Securities . . . . .	565,351,090.06
Other Securities . . . . .	120,935,291.73
Loans Guaranteed or Insured by the United States Government or its Agencies . . . . .	1,189,255,987.48
Other Loans and Discounts . . . . .	2,816,776,208.28
Bank Premises, Fixtures, etc. . . . .	70,953,970.32
Customers' Liability on Letters of Credit, etc. . . . .	181,318,885.14
Accrued Interest and Other Resources . . . . .	43,017,452.31

**TOTAL RESOURCES . . . . . \$8,362,863,815.24**

### LIABILITIES

Capital . . . . .	\$150,000,000.00
Surplus . . . . .	200,000,000.00
Undivided Profits and Reserves . . . . .	104,862,238.75
<b>TOTAL CAPITAL FUNDS . . . . .</b>	<b>\$ 454,862,238.75</b>
Reserve for Possible Loan Losses . . . . .	60,718,540.73
<b>DEPOSITS</b> { Demand . . . . . \$3,677,771,928.36 }	<b>7,596,034,667.08</b>
{ Savings and Time . . . . . 3,918,262,738.72 }	
Liability for Letters of Credit, etc. . . . .	185,810,764.70
Reserve for Interest, Taxes, etc. . . . .	65,437,603.98

**TOTAL LIABILITIES . . . . . \$8,362,863,815.24**

Main Offices in the two Reserve Cities of California

**SAN FRANCISCO • LOS ANGELES**

Branches throughout California

Overseas branches: London, Manila, Tokyo, Yokohama, Kobe, Osaka, Bangkok, Guam

Member Federal Deposit Insurance Corporation • Member Federal Reserve System

### Bank of America

(International)

Home Office—New York, N. Y.

A wholly-owned subsidiary

## Condensed Statement of Condition June 30, 1954

### RESOURCES

Cash in Vault and in Banks . . . \$	32,637,340.96
United States Government Obligations . . . . .	22,606,467.34
Other Securities . . . . .	758,876.92
Loans and Discounts . . . . .	33,848,908.61
Customers' Liability on Letters of Credit, etc. . . . .	45,746,703.04
Accrued Interest and Other Resources . . . . .	478,501.87
<b>TOTAL RESOURCES . . .</b>	<b>\$136,076,798.74</b>

### LIABILITIES

Capital . . . . .	\$10,000,000.00
Surplus . . . . .	3,000,000.00
Undivided Profits . . . . .	875,416.30
<b>TOTAL CAPITAL FUNDS . . . \$</b>	<b>13,875,416.30</b>
Reserve for Possible Loan Losses . . . . .	600,000.00
Deposits . . . . .	75,179,346.38
Liability for Letters of Credit, etc. . . . .	45,974,637.94
Reserve for Interest, Taxes, etc. . . . .	447,398.12
<b>TOTAL LIABILITIES . . .</b>	<b>\$136,076,798.74</b>

**COMBINED RESOURCES OVER  
\$8,400,000,000**

# Real Property in Estates and Trusts

*Seven trustees from as many parts of the country discuss the management, sale, and lease of real property in estates and trusts, allocation of income from such property, and investment of trust funds in urban and rural real property mortgages*

Again, in this month's trust symposium-in-print, the moderator is GILBERT T. STEPHENSON of Pendleton, N. C., one of the country's best known trustees. This monthly department is intended to give answers to questions of importance to large, medium, and small trust departments.

**T**HE management of real property in estates and trusts creates some of the thorniest problems of the trust business. Some of these problems are revealed in the questions and answers that follow.

Our panel members are: HAROLD E. BRIGHT, vice-president and trust officer, Berks County Trust Company, Reading, Pennsylvania; BART A. BROWN, vice-president, Citizens Fidelity Bank and Trust Company, Louisville; EARL H. CRESS, president, Ann Arbor Trust Company, Ann Arbor, Michigan; VICTOR R. GRAVES, vice-president and trust officer, Peoples National Bank, Seattle; DUNCAN H. NEWELL, vice-president and trust officer, First Portland National Bank, Portland, Maine; JOSEPH W. WHITE, vice-president, Mercantile Trust Company, St. Louis; and J. C. WHITTEN, vice-president, The First Trust Company of Lincoln, Nebraska.

## How to Report Income

*Where a will, creating a trust of both real property and personal property, provides that, until the estate is settled, the executor shall manage all of the property with the same powers as the trustee will have after the trust is set up, during the period that the estate is in process of settlement, should income from the real property be reported as income to the probate estate or as income to the trust estate?*

This question, as stated, lends

itself to two constructions: (1) Should the income be reported by the executor for income-tax purposes although it eventually is to go to the beneficiaries of the trust? (2) Should it be reported by the trustee although, while the estate is in process of settlement, it will be retained by the executor? In reading the answers that follow, this distinction should be observed.

MR. BRIGHT, speaking for Pennsylvania, thinks that, under the Fiduciaries Act of 1949, it should be reported by the executor as income of the estate. MR. BROWN, for Kentucky, thinks that it should be reported as income of the trust. MR. CRESS, for Michigan, says that it should be reported as income of the estate. MR. GRAVES, for Washington, thinks that it should be reported by the executor but as income distributed or distributable to the trust. He says:

"If the real property is in the charge of and under the responsibility of the executor and it is the custom of the executor to handle the real property transactions during the period of probate, then it would appear that the income should be reported as income to the estate, but probably attributable to the beneficiaries of the trust as being currently distributed or distributable to them, preferably distributed. If, however, it is the custom for the devisee immediately to take possession of real property for purposes of management or if it is appropriate that partial distributions be made . . . , then it would appear that the trustee should receive the income and report the same in its fiduciary return. Naturally, if the income is distributed to beneficiaries in part or entirely during that period, the fiduciary return so would indicate."

MR. NEWELL, for Maine, thinks that the income would be reported by the trustee; that as soon as the trustee was appointed, which might be almost as soon as the executor was appointed, the executor would turn over to the trustee all accounts relating to the real property, including cash received, and the trustee would report the income as income of the trust.

MR. WHITE, of St. Louis, thinks that under Missouri law the income would pass to the estate and not to the trust and, therefore, would be reported by the executor as estate income.

MR. WHITTEN, for Nebraska, thinks that the executor would report the income for income-tax purposes but that the net income would enure to the beneficiaries of the trust.

## Mortgage Investments

*What should be the attitude of a trust institution in a farming community towards investing trust funds in urban and rural real property mortgages?*

MR. BROWN regards mortgages on good farm lands and well located urban real property as prime trust investments.

MR. CRESS regards them as "suitable investments," adding that "knowledge of local values, local borrowers, and local conditions, together with a comparatively attractive rate of return on the investment, are factors which should encourage use of this type of investment."

MR. GRAVES, who first speaks out for diversification, thinks that the trust institution's knowledge of local

conditions favors investment in mortgages, provided the trustee ever is on guard against undue concentration in long-term mortgages.

MR. NEWELL of Portland, Maine, although not in a farming community, believes in mortgages as trust investments and says that his institution invests in them more or less generally.

MR. WHITE thinks that it is perfectly in order for a trust institution serving a farming community to purchase mortgages on both urban and rural real property as trust investments, provided care is exercised to obtain reasonable appraisals.

MR. WHITTEN says that both farm and city mortgages are excellent trust investments and should appeal particularly to the customers of a trust institution serving a farming community, but that there should be no relaxation of the standard of quality or acceptance of substandard interest rates.

MR. BRIGHT says there is a definite place in trust estates in a farming community for well placed farm mortgages, provided there are conservative valuation, provision for amortization, and satisfactory credit standing of the mortgagor. There is no difference of opinion among these seven trustmen, representing every section of the country, as to the acceptability and, more, the desirability of good mortgages whether on urban or on rural real property.

### Management, Sales, and Leases of Real Estate

*Discuss the management, sales, and leases of real property.*

(a) *Is it practicable to handle all of these transactions in a small trust department, or would it be better to obtain the services of outside realtors and agents?*

MR. GRAVES thinks that, if the trust institution has on its staff persons with requisite skill, experience, and managerial capacity, it should manage real property in its trust department; otherwise, it should employ outside realtors and agents.

MR. NEWELL thinks that the attitude of trust institutions towards

managing real property well may be influenced by the adequacy of the compensation; that since, in Maine, the probate court can make an additional allowance not to exceed 1% for extra services rendered and it is almost universally agreed that the handling of real property is covered by this provision, it is practicable and desirable for a trust institution to manage real property.

MR. WHITE, like MR. GRAVES, thinks that it depends on the experience of the staff whether the trust institution itself manages real property or turns it over to outside realtors or agents. He says that, if there is no one in the trust department who is experienced in the management, sale, and lease of real property, it would be advisable to obtain outside assistance; that it would hurt the business of a trust institution that undertook, without adequate experience, to handle this type of work.

MR. WHITTEN also says that whether the trust department itself should manage, sell, and lease real property would depend upon whether it is staffed to do the job well; that, if it can render the service well, it is better done within the organization than outside, but, if taking good care of the customer requires outside assistance, it should be obtained.

MR. BROWN makes the point that, if state law will permit the trustee to use the services of a real property agent in the management of real property in estates and trusts and will allow the trustee reasonable compensation for its own services, there is little reason for a

trust institution ever to have a department for the management of real property. If the law will not permit the trustee to charge the compensation of the agent against the income of the trust, the trustee had better manage the real property itself, provided it is allowed reasonable compensation for the service.

MR. BRIGHT thinks that the trust department should manage, sell, and lease real property in its estates and trusts, provided it has facilities and sufficient employees for doing so; otherwise, it should obtain the services of outside realtors and agents.

MR. CRESS thinks that, in most cases, the small trust institution should obtain the services of outside realtors and agents rather than try to do the work itself.

(b) *Should trust institutions provide full real property service?*

This question is answered partially under the preceding question.

MR. NEWELL thinks that, in the light of the Maine provision for additional compensation for extra services, the trust institution should provide full real property service for its estates and trusts.

MR. WHITE sees no objection to the trust institution's providing full service if adequate compensation is provided for and if there is experienced personnel in the department.

MR. WHITTEN says that the trust institution should provide full service if it is in an area where customer needs and available volume make it desirable and if the department has an experienced staff.

MR. BRIGHT says that, if a trust institution has the facilities and experienced employees, it should provide full service.

MR. BROWN thinks that it should provide full service only if it is assured of adequate compensation.

MR. CRESS says, "Small trust departments should provide full real property management service if they can be assured of sufficient volume of business to warrant a staff of experienced and competent people."

(CONTINUED ON NEXT PAGE)



You  
know  
this

For a number of years now Field Warehousing has been an established method of making inventory secured loans. Our original monthly tabulated Stock and Value Reports which popularized this type of loan by substantially reducing the bank's time and expense in controlling and appraising these items are the standard of the industry.

but  
did  
you  
know

We have now modernized and improved these time-tested reports so that today we are again years ahead of the field. And our practice of making monthly physical inventories for our receipt-holders relieves both you and your customer of costly detail. These exclusive advantages plus experienced warehouse supervision and high limits of comprehensive liability insurance are just a few of the reasons for calling New York Terminal to review any inventory situation. A qualified representative will show you how to extend maximum credit with minimum risk at lower cost to you and your customers.

**NEW YORK TERMINAL  
WAREHOUSE**



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OPERATING OFFICES IN PRINCIPAL CITIES

MR. GRAVES says that, if a trust institution has facilities and personnel to do so, it should provide full service for its own accounts and for individuals who prefer to have it handle their real property.

So, all in all, the answer seems to be that the trust institution should offer full real property management service if, but only if, the volume of actual or potential business is sufficient to enable it to employ experienced personnel and if it is assured of reasonable compensation.

(c) *Is it advisable to solicit the business of managing, selling, and leasing real property in estates and trusts?*

MR. WHITTEN asks, "If you are able to perform, then why not solicit this kind of business as actively as you would solicit any other kind of trust business?"

MR. BRIGHT says that, if the trust institution has the facilities and experienced employees, it can, advisedly, solicit the business.

MR. BROWN predicates his affirmative answer upon the adequacy of the compensation, saying that, at best, a real property department is not a large money-maker.

MR. CRESS says that solicitation of this business is warranted if the small trust department is assured of sufficient volume to justify an experienced staff.

MR. GRAVES doubts the advisability of soliciting this business "because of the possible conflicts of interest with bank customers."

MR. NEWELL says that his institution does not in any way solicit the real property management business as such when detached from other trust business.

MR. WHITE sees no objection to soliciting the business, provided the compensation is adequate and the staff experienced. The answers to this question may be summarized thus: Whether this type of business should or should not be solicited depends upon (1) the sufficiency of the actual or potential volume, (2) the adequacy of the compensation, and (3) the skill and experience of the staff.

(END)

BANKING





# MICHIGAN NATIONAL BANK

BATTLE CREEK

FLINT

GRAND RAPIDS

LANSING

MARSHALL

PORT HURON

SAGINAW

## STATEMENT OF CONDITION

June 30, 1954

### RESOURCES

Cash and Due from Banks.....	\$ 51,756,229.02	
U. S. Government Securities.....	124,837,960.57	
U. S. Guaranteed Loans.....	38,678,127.47	\$215,272,317.06
Loans—Other.....		127,876,316.21
Bank and Office Buildings.....		5,442,445.62
Federal Reserve Bank Stock.....		390,000.00
Accrued Income.....		929,460.41
Other Assets.....		897,206.91
Total Resources.....		<u>\$350,807,746.21</u>

### LIABILITIES

Commercial Deposits.....	\$172,330,100.97	
Savings Deposits.....	150,676,407.79	\$323,006,508.76
Other Liabilities.....		3,118,401.50
Deferred Income.....		7,407,098.45
Preferred Stock.....	\$ 1,000,000.00	
Common Stock.....	6,000,000.00	
Surplus.....	6,000,000.00	
Profits and Reserves.....	4,275,737.50	17,275,737.50
Total Liabilities.....		<u>\$350,807,746.21</u>

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Member  
Federal Reserve System  
Federal Deposit Insurance Corporation

# BANK LAW NEWS

## *What Is a Passbook—Libel by Will—Signature Card Clause*

### SAVINGS ACCOUNT PASSBOOKS

**Deposits in Federal Reserve Member Banks Not Evidenced by Traditional Type Passbooks Are Not Savings Deposits**

THE Board of Governors of the Federal Reserve System recently was asked whether deposits accepted under the following proposed payroll deduction savings plan would be classified under the Board's regulations as savings deposits, against which banks may carry less reserves than those required against demand deposits.

Under the proposed plan, a participating company would withhold a specified amount from the weekly pay of each of its participating employees and would deposit such amount to the employee's credit in the bank. On each payday the employee would receive a "savings account card" containing his name, account number, date of issue of the card, columns for the entry of deposits and withdrawals, the current account balance, and a notation that:

*This card must be brought to the bank whenever a deposit is made or money withdrawn. Cards for this account bearing a prior date are hereby cancelled.*

On the reverse of the card would be printed the savings account rules and regulations which ordinarily appear within the covers of a passbook.

Any particular card would show any deposits and withdrawals made during the current week and would be automatically cancelled upon the issuance of a new card showing the new current balance. The card was designed to be processed by the use of automatic tabulating machines.

The Board of Governors ruled that any accounts taken in under the pro-

posed plan would not be eligible for classification as "savings deposits." It pointed out that its regulations require all savings deposits to be "evidenced by a passbook," and that it has indicated on previous occasions that the term "passbook" means an account book which is a continuing record of the transactions in a particular account. Formerly, the Board pointed out, a savings deposit could be evidenced by a "passbook or other form of receipt." However, that definition "proved inadequate to prevent the favored status of savings deposits from leading to certain abuses, including the classification of checking accounts as savings deposits."

The card in question was not a passbook within the meaning of the Board's regulations, the Board concluded, and therefore the accounts under the proposed plan would not be considered "savings deposits." 19 Fed. Reg. 2716, May 12, 1954.

### LIBEL BY WILL

A DECISION of Oregon's Supreme Court strikes directly at one of the few pleasures a man may still be able to enjoy when he gets around to making out his will.

Before the court was the question whether the probate of a will containing the following clause constituted the publication of a libel and, if so, whether an action for libel could be had against the testator's estate: "*To my grandson . . . I give and bequeath the sum of Ten Dollars (\$10.00). I have already given my said grandson the sum of One Thousand Dollars (\$1,000.00) which he squandered. This provision . . . expresses the regard in which I hold my said grandson, who deserted his mother and myself by taking sides against me in a lawsuit, and be-*

*cause he is a slacker, having shirked his duty in World War II.*"

The court, noting that the question had been answered in different ways in different states, decided to align Oregon with those which have answered in the affirmative. Oregon's constitution gives every person a remedy for injury to his reputation, the court said. Furthermore, it held, when a testator executes his will he does so with full knowledge that it will be made public.

While the decision did not clearly so state, it appeared that the liability would be that of the estate rather than that of the executor who offered the will for probate. *Kleinschmidt vs. Matthieu*, 266 P.2d 686.

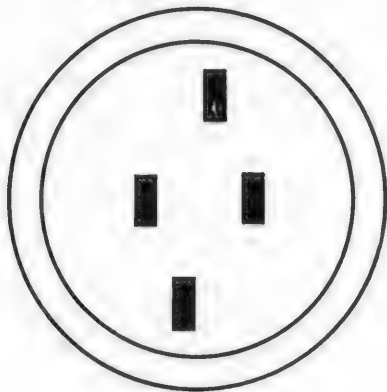
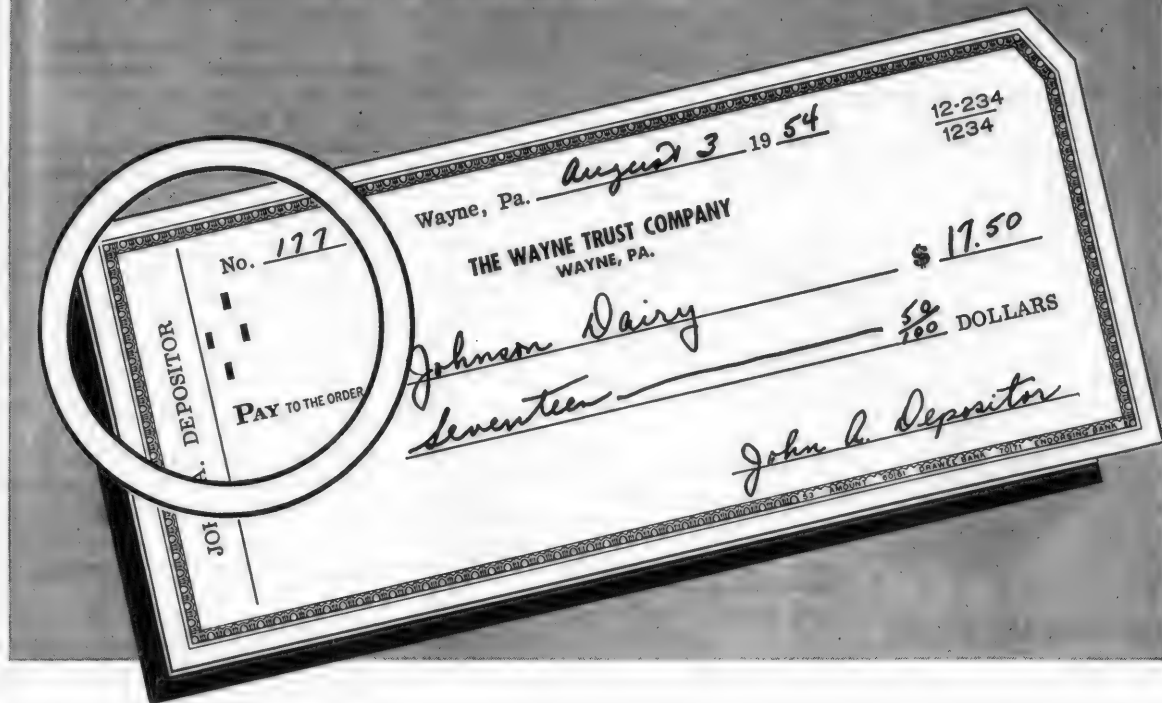
### SIGNATURE CARD AGREEMENT

SOME indication of the value of well drawn signature cards, by-laws, rules, and regulations, as well as overtones of *ignorantia juris non excusat*, may be found in a recent decision of one of California's lower courts. A clause in a California bank's signature cards provided that depositors who signed the cards agreed to be governed by the bank's rules. One of these rules permitted the bank to charge back any item credited to a customer's account, if it later should be found not good, "regardless of whether or not the item itself can be returned."

The bank charged an item back to plaintiff's account, returning the item after the time limit set by California's deferred posting statute for the return of items for credit. The court found for the bank, holding that the bank's rules took precedence over the provisions of the statute, and that the depositor, having signed the signature card, was estopped to deny that the rules were

(CONTINUED ON PAGE 86)

## To increase checking account profits ...the IBM check



Automatically pre-punched  
customer account number

Cut your per item processing costs, increase volume without additional personnel, raise your profits—by placing your checking accounts on IBM checks.

One bank, for example, saved \$30,000 a year in its first two years of using IBM checks . . . increased the number of its special checking accounts by 60%.

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- fast machine sorting of checks and deposit cards
- automatic control of overdrafts and uncollected funds
- positive identification and accurate posting of all items
- daily trial balances
- elimination of peak loads
- complete machine preparation of statements

To learn more about the ways IBM checks can save your bank time and money, call the IBM office nearest you.



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binding upon her. The court, noting that plaintiff had had "ample opportunity" to examine the card at her home before signing it, held that it did not matter that the bank had not called the clause to her attention. It did not say whether its ruling might have differed if such "ample opportunity" had not existed. (Dist. Ct. of App., 1st Dist.) *Larrus v. First Nat'l Bank of San Mateo County*, 266 P.2d 143.

#### STATE TAXATION OF BANKS—1

OHIO'S Supreme Court has held that a tax on "the capital employed or the property representing it, in a

financial institution which . . . has no capital stock," was not a tax on the property of a mutual savings bank but a tax on the property of the owners of the bank and, consequently, that in computing the tax the state need not deduct the value of Federal securities owned by the bank.

One judge, dissenting, posed an interesting question in connection with the statement of the majority that a savings bank's capital, surplus, reserve fund, and undivided profits belong to its depositors: "Why should one who becomes a depositor today own a share of the surplus and undivided profits of a

savings institution, which have been built up by present long-time depositors and by great numbers of past depositors who have drawn out their deposits (and that is all they can get), but whose deposits have built up the surplus assets of the institution?"

"In any event," he said, "it seems to me that it is going to be an impossible task to ascertain what depositors own such assets and in what proportions." *Society for Savings in City of Cleveland v. Peck* 111 N.E. 2d 651.

In two other cases the same court has held that the value of such securities need not be deducted in ascertaining the value, for purposes of taxation, of shares of Ohio national and state banks in a state-chartered savings and loan company, of withdrawable shares in a Federal savings and loan association, or of "the capital employed, or the property representing it in" such associations. *Broadview Savings & Loan Co. v. Peck* 118 N.E.2d 665. *First Federal Savings & Loan Association of Warren v. Peck* 118 N.E.2d 667.

#### STATE TAXATION OF BANKS—2

MICHIGAN'S Supreme Court has held that Michigan's sales tax may be imposed upon sales to a Federal reserve bank because the legal incidence of the tax falls upon the seller, not the purchaser, thus making immaterial any question of the bank being exempt, under Section 7 of the Federal Reserve Act (12 U.S.C.A. 531), from state taxation. Although the Michigan law permits the seller to pass the tax on to the purchaser, it does not require him to do so. Thus, the court said, the legal incidence would remain upon him even if he did avail himself of his right to pass the economic burden along to the purchaser.

The decision might be compared with the ruling of Rhode Island's Tax Administrator, reported here in May 1954 *BANKING*, to the effect that national banks, being neither owned nor directly operated and controlled by the Federal Government for the benefit of the public generally, are not exempt, as Federal instrumentalities, from that state's sales and use taxes. *Federal Reserve Bank of Chicago v. Dept. of Revenue of Mich.*, Mich. Sup. Ct., April Term 1954, June 7, 1954.



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When your customers come to Kansas City . . . on business, to the Starlight Theater or the American Royal . . . let the Commerce Trust serve as your ambassador of good will and good service.

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KANSAS CITY'S OLDEST AND LARGEST BANK  
Established 1865 MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION





## ESCHEAT

Bank accounts of decedent without known kin belong to state wherein they are located, not to state where he was domiciled.

IN a case interesting for its discussion of the history of the law of escheats, a New York appellate court has held that that state's abandoned property law does not permit payment to a California public administrator of the proceeds of accounts in New York banks belonging to a Californian who died with no known heirs or next of kin.

A probate court had looked at that section of the New York abandoned property law which provides that a bank account is not "abandoned" when the right to receive it is established to the satisfaction of the depository bank. It then had ruled that since the accounts in question had been paid by the depository banks to the California administrator, the person entitled to receive them was not unknown and they were not abandoned property.

However, the Appellate Division of the New York Supreme Court, 1st Dept., did not agree. It held, first, that the same laws do not govern the passing of property by succession to known next of kin, and the passing of abandoned property. While the former ordinarily passes according to the law of the decedent's domicile, the court said, abandoned property is not governed by the law of succession but becomes the property of the state wherein it was located at the time of its owner's death.

The appellate court then considered a section of the abandoned property law which provides that any share of a decedent's estate to which an unknown person is entitled shall be deemed "abandoned." It then ruled that the "the person entitled" to a decedent's property within the meaning of the statute means one entitled to succeed to the property, not one who is entitled to administer it. That being decided, the court then ruled that, in accordance with another section of the law, the decedent's property should be paid to the state "for the benefit of the person or persons who may thereafter appear to be entitled . . ." *Matter of Brown*, 131 N.Y.L.J. No. 108, 7 June 1954.

JOHN RENÉ VINCENS

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# The A.I.B. Looks Ahead

WITH an eye toward the management development educational program that may be ready this year, the American Institute of Banking has just published three textbooks for the graduate level. The management training work, when offered, will be based on the Institute's graduate curriculum, and the new books, *Agricultural Credit*, *Instalment Credit*, and *Trust Department Services*, will provide study tools for those seeking the prospective management development certificate.

Also, A.I.B. has a new text, *Business Administration*, for Standard Certificate candidates.

This is the first time the Institute has brought out three graduate student books simultaneously, a circumstance that reflects its rapidly expanding education program, particularly in the direction of education for tomorrow's top officers.

The A.I.B. regards management succession as the No. 1 problem in banking, and therefore the Institute's No. 1 opportunity. Exploratory work toward formulating the necessary courses was largely completed at a series of six meetings with bank management in various parts of the country. The Institute now plans to hold a national conference of bank executives this fall to begin actual drafting of the new curriculum.

## Farm Credit Book

*Agricultural Credit*, the A.I.B.'s initial volume in this field, was written by several experts. Designed to meet the needs of all bankers who extend credit to farmers, it approaches credit from the commodity standpoint because, as Dr. Leroy Lewis, the Institute's National Educational Director, says in the preface, "the banker should know about the commodities on which he makes loans as well as about the production problems of his farm borrowers."

There are chapters on individual bank loan policy, credit instruments, loan analysis, farm equipment financing, and credit to growers of

the major crops and raisers of livestock. Loans on farm real estate, to part-time farmers, and the servicing and collection of farm loans are other subjects covered.

George W. Stebbins, president of the Simsbury (Conn.) Bank & Trust Company, was chairman of the critic committee that worked for more than two years in outlining, organizing, and arranging this book. With him were Dr. Earl L. Butz, head of the Department of Agricultural Economics, Purdue University; Dr. Van B. Hart, professor of farm management, New York State College of Agriculture, Cornell University; Dr. O. B. Jesness, head of the Department of Agricultural Economics, University of Minnesota; and Dr. Harry M. Love, head of the Department of Agricultural Economics and Rural Sociology, Virginia Polytechnic Institute.

## "Consumer Credit" Replaced

*Instalment Credit* replaces *Consumer Credit* in the Institute's graduate curriculum, and is a complete revision of the earlier book. It outlines the policies, procedures, and techniques of instalment lending as they have been developed primarily by commercial banks in the last 15 years. Major emphasis is on credit, collection, and new business; there is a thorough discussion of policy

and public relations, and complete coverage of automobile financing.

Chairman of the critic committee that built the book was William F. Kelly, executive vice-president of The Pennsylvania Company for Banking and Trusts, Philadelphia. With him worked Carl M. Flora, vice-president, First Wisconsin National Bank, Milwaukee; Edward F. Longinotti, vice-president, Union Planters National Bank, Memphis; John B. Paddi, vice-president, Manufacturers Trust Company, New York; and Paul M. Welch, vice-president, The Citizens & Southern National Bank, Atlanta.

## New Trust Text

*Trust Department Services* replaces *Trust Business I* on the A.I.B. bookshelf. Since the old volume was first published 10 years ago, trust services and the personnel administering them have increased, with the result that a new text was needed.

Revision of the material was supervised by the Committee on Trust Education of the American Bankers Association. Members of this committee were: Clarence D. Cowdery, chairman, vice-president, The Boatmen's National Bank of St. Louis; James W. Allison, lecturer, Department of Law, University of Virginia; George C. Barclay, vice-president, City Bank Farmers Trust Company, New York; Edward A. Berndt, Jr., vice-president, American National Bank and Trust Company, Chicago; Bart A. Brown, vice-president, Citizens Fidelity Bank and Trust Company, Louisville.

These men also contributed to the book: Carlisle A. Bethel, senior vice-president and trust officer, Wachovia Bank and Trust Company, Winston-Salem, N. C.; Carl E. Buckley, vice-president, The Chase National Bank, New York; Joseph C. Buttery, second vice-president, Guaranty Trust Company, New York; Paul G. Norris, Guaranty Trust Company of New York; Marc A. Rieffel, trust officer, City Bank Farmers Trust Company, New York; John Ritchie, dean of the Univer-



"The doctor ordered more fresh air for our president!"

sity of Wisconsin Law School; and the late Charles E. Orcutt, assistant secretary of the American Bankers Association.

### New Volume on Business

*Business Administration*, written by Dr. John A. Bryson, associate professor of sociology, New York University School of Commerce, presents the more important basic concepts of business organization and management, relating the problems of administration to the economy and to banking, and explaining and relating the fundamental functions of business.

The critic committee during the two years this book was in preparation comprised: Dr. J. M. Ashton, research director, Oklahoma Chamber of Commerce; A. Anton Friedrich, professor of economics, New York University; William G. F. Price, vice-president, Bank of the Manhattan Company, New York; Dr. Weldon Welfling, director, School of Social Science, Simmons College, Boston.

### Enrolments Set A Record

The new textbooks appear at a time when Institute membership and enrolments are at an all-time high. More than 57,000 men and women are now taking A.I.B. courses, a gain of approximately 11,000 during the past year—the largest increase on record. Membership exceeds 111,000.

Reasons for the upturn in enrolments were suggested by Dr. Lewis at the Institute's recent Los Angeles convention. He mentioned: bank management's favorable appraisal of the A.I.B.'s educational materials and program; the stimulation provided by the short courses; the increasing number of two-semester programs in the country's chapters; broader coverage by Institute textbooks; the A.I.B.'s curriculum conferences.

We never could understand why they call them income tax "blanks." They're loaded.

*Sometimes when a man has made up his mind to spend the evening at home, his wife has made up her face to spend it out.*



## Natural Gas

is coming to the Pacific Northwest! This tremendous new source of energy combined with an existing and expanding hydro-electric empire means plenty of fuel and power to keep "this busy corner of America" moving forward in the years ahead.

## Statement of Condition

AT CLOSE OF BUSINESS JUNE 30, 1954

### RESOURCES

Cash and Due from Banks . . .	\$168,003,291.73	
U. S. Government Securities . .	178,622,627.60	
Obligations of Federal Agencies . . . . .	9,525,427.38	
State and Municipal Securities .	68,574,392.17	
Other Bonds and Securities . . .	4,676,987.11	\$429,402,725.99
Loans and Discounts . . . . .		314,028,802.36
Federal Reserve Bank Stock . . .		900,000.00
Bank Buildings, Vaults, Furniture and Fixtures, etc. . . . .		8,176,208.76
Interest Earned Not Received . . .		3,008,352.33
Customers' Liability under Letters of Credit and Acceptances. . . . .		1,529,354.87
TOTAL . . . . .		<u>\$757,045,444.31</u>

### LIABILITIES

Capital Stock . . . . .	\$ 14,000,000.00	
Surplus . . . . .	16,000,000.00	
Undivided Profits . . . . .	14,761,332.82	
Reserves for Contingencies . . .	6,000,000.00	\$ 50,761,332.82
Reserves for Interest, Taxes, etc. . . . .		4,131,546.12
Discount Collected Not Earned . . . . .		3,652,825.11
Letters of Credit and Acceptances. . . . .		1,529,354.87
Deposits . . . . .		696,970,385.39
TOTAL . . . . .		<u>\$757,045,444.31</u>

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Washington's Statewide Banking System Serves This Busy Corner of America

### BOARD OF DIRECTORS

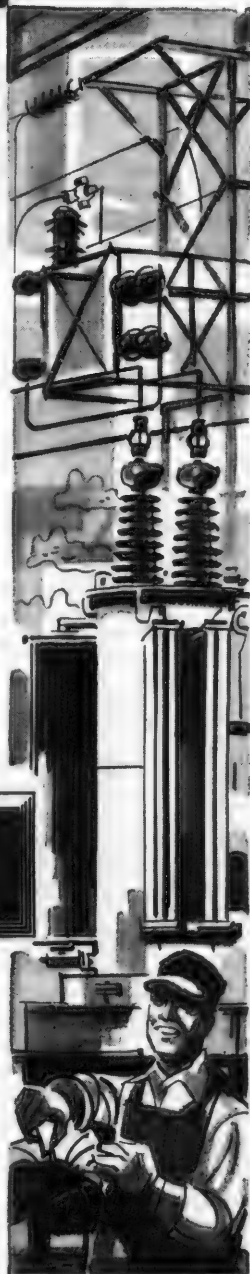
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# BANKING NEWS

## Harold Marshall Appointed Chairman of the A.B.A.'s Public Relations Council

**Will Fill Unexpired term;  
Replaces Frank M. Totton**

Harold J. Marshall, executive vice-president and a director of the Manufacturers National Bank of Troy, N. Y., has been appointed chairman of the Public Relations Council of the American Bankers Association by Everett D. Reese, president of the Association, and president of The Park National Bank of Newark, Newark, Ohio.

Mr. Marshall will fill the unexpired term of Frank M. Totton, vice-president of The Chase National Bank, New York City, who recently resigned his bank connection to spend full time in the service of the Presbyterian Church.

### Nationally Known

Mr. Marshall is nationally known in banking circles as a result of active participation in educational and public relations activities. He entered banking with the Council Bluffs (Iowa) Savings Bank where he worked during high school and college vacations. After graduation from Notre Dame University, he was with that bank for a short time until his appointment as a national bank examiner. In 1944 he joined the Bankers Trust Company of New York City as an assistant vice-president, leaving in 1950 to join the Manufacturers National Bank of Troy where he is now executive vice-president and director.

Mr. Marshall was a member of the first graduating class of The Graduate School of Banking, and he is an instructor at the School as well as at the summer school of the Financial Public Relations Association at Northwestern University. He has served as a lecturer at several American Institute of Banking chapters, including New York Chapter.

Mr. Marshall's A.B.A. activities have been many. From 1943 to 1944, he was a member of the Research Council and the Executive Commit-



Harold J. Marshall

tee of the State Association Section; 1944-46, a member of the Subcommittee on Social Security of the Committee on Federal Legislation; 1945-46, A.B.A. state vice-president for the State of New York; and 1946-47, was a regional vice-president of the Organization Committee. He was a member of the Executive Council from 1947 to 1950. From 1948 to 1949, he was a member of the Public Relations Council, and from 1948 to 1950, a member of the Treasury Savings Bonds Committee. In 1951-52, he was a member of the Instalment Credit Commission and 1953-54, a member of the Public Relations Council before he became chairman of that group.

### School Bells for NABAC

The NABAC School for Bank Auditors and Comptrollers opened its second session at the University of Wisconsin on July 25. The three-year school, which meets for two weeks each summer, has this year 105 freshmen and 51 juniors, who represent 38 states and Hawaii. The students study bank accounting in their first year; banking auditing the second year; and bank controls in the final year. The average student in this year's freshman class is under 39 years of age and is an auditor of a bank with less than \$50,000,000 resources. The average junior is under 44, is also an auditor, but half the class comes from banks of under \$100-million, with the other half representing banks of over \$100-million in resources.

## Banks Used 56½-Million Pieces of A.B.A. Promotion Material in Past 5 Years

**Advertising and PR Most Effective  
When Applied Locally by Banks**

Approximately 56,500,000 pieces of advertising and public relations material prepared by the American Bankers Association have been put to use by the nation's banks during the past five years, according to a joint report of the Association's Advertising Department and Public Relations Council.

The bulk of this material was made up of folders, booklets, blotters, and copies of the thrift newspaper, *The School Saver*, all of which are prepared as a continuing program and distributed to the public by A.B.A. member banks. During the 5-year period, banks distributed 55,664,000 copies of this type of material in their local communities. All of these promotion pieces are made available to the banks by the Association in keeping with the A.B.A.'s philosophy that bank advertising and public relations are most effective when applied by the local hometown bank. Each piece is distributed by an individual bank in its own trade area—usually with the bank's name imprinted thereon—and is a message to its customers and public.

### Basic Banking Book

Among the printed educational pieces included in this category is a booklet written especially for women outlining basic banking and trust services, another on the contribution banking makes to the nation's economic welfare, and a third on the role of money and banking in the individual's daily life. There is a picture booklet for youngsters, *Peter Penny and His Magic Dollar*, showing banking's part in our country's history and our community life; and folders on Federal Deposit Insurance coverage, what chartered banking means to America, what sound money means to the family, and scores of other subjects.

(CONTINUED ON NEXT PAGE)



(CONTINUED FROM PAGE 90)

In the field of newspaper advertising, A.B.A. members have made use of 442,888 A.B.A. newspaper mats during the five years. These ads represent 74,405,000 lines of advertising in daily and weekly newspapers across the country. Included in these ads are a special series entitled "Bank Facts for You," which explains banking functions, and a series on the free enterprise system which has received an honor certificate from the Freedoms Foundation at Valley Forge.

The third category of A.B.A. Advertising Department service is a series of large posters for use in bank windows and lobbies. More than 75,000 of these posters were used by banks during the five years.

An important part of the material prepared by the A.B.A. Public Relations Council is intended for use by banks as guides in their individual public relations programs. One of the most successful projects to date is a series of 10 public relations manuals on different aspects of bank public relations. In the two years since the first manual appeared, 110,000 copies of the various booklets have been put to use in banks. Included in the series are such subjects as handling bank publicity, planning bank advertising programs, personnel relations, bank relations with schools, customer relations, work with farm youth, community relations, finance forums for women, and building savings deposits.

### Speech Kits

Another aid to bankers prepared by the Council is a series of sample speech kits on various banking subjects upon which the bankers can draw when he is invited to address local groups. Since the latest series of these kits was inaugurated, 2,250 banks have ordered 8,500 of the kits.

Other materials currently available from the Council to banks for internal use include a booklet, *Public Relations is Up to You*, for bank employees, of which 62,000 copies are in use; four folders for employees on public relations in customer contacts, of which 95,000 copies are in use; and *Opportunities in Banking*, an employee recruitment booklet, of which 120,000 copies have been used.

Two Public Relations Council materials which are intended for direct



**AT BANKERS' WORKSHOP** in Lubbock, Texas, under sponsorship of South Plains Bankers Association, are, *left to right*: S. L. Sanders, First National Bank, Melrose, N. M.; John A. Wright, The First State Bank, Abilene, Texas; W. Q. Casey, Muleshoe (Texas) State Bank; O. R. Stark, Jr., First National Bank, Quitaque, Texas; and Donald R. Cade, Brownfield (Texas) State Bank & Trust Co. More than 100 West Texas and New Mexico bankers attended this second annual Workshop

### A.B.A. Washington Office Moves to Larger Quarters

The Washington office of the American Bankers Association has moved to new quarters in the American Security and Trust Building, Suites 610-616, at 730 15th Street, N.W., Washington 5, D. C. This is directly across 15th Street from its former location.

The Washington office of the A.B.A. serves as headquarters for the Association's general counsel and for activities of several working groups, including the Committee on Federal Legislation, the Committee on Federal Depository Functions and Fiscal Procedures, and the Small Business Credit Commission. Many other Association activities involving relationships with departments of the Federal Government also make use of the office facilities.

The main conference room at the new location is fitted with accordion doors so that its size can be regulated to large or small groups.

use with the public are the A.B.A. film series and a booklet, *Money and Banking in Our Everyday Living*. More than 3,500 prints of the five A.B.A. films are now in circulation; and 255,000 copies of the booklet have been distributed to school children by banks.

Neither of the A.B.A. departments would estimate how many people have been reached by this material, but even a modest guess would indicate many millions. The two departments did estimate that A.B.A.

### NABAC Announces Speakers for California Convention

The National Association of Bank Auditors and Comptrollers is holding its 30th annual convention in San Francisco, Oct. 18-21. Ira C. Chaney, auditor, Crocker First National Bank of that city, is the organization's president.

Convention speakers include: NABAC's former president, Edward F. Lyle, vice-president and comptroller, City National Bank and Trust Company, Kansas City, Mo.; Elden Smith, president, Citizens National Trust and Savings Bank, Riverside, Cal.; C. A. Evans, FBI special agent; Francis Whitman, vice-president and trust officer, American Trust Company, San Francisco; A. Elliott Pinkus, assistant comptroller, National City Bank of New York; and Harry E. Mertz, secretary to Technical commissions, NABAC.

George W. Meyer, American Trust Co., is general chairman.

promotion materials are used regularly by about 60% of the Association's members, which for all practical purposes is 60% of all of the banks in the country.

They emphasized that none of the figures included the huge variety of publications and promotion aids prepared by other departments of the Association. Almost every one of the A.B.A. departments publishes booklets and manuals in its special field of interest, many of them also distributed to the public.

### 23A-24A Conflict Resolved

On June 30, 1954, President Eisenhower signed P.L. 460 (S.3481-H.R. 9142) which resolves the conflict between Sec. 23A and Sec. 24A of the Federal Reserve Act with regard to the amount a bank may invest in its premises.

This legislation would make Section 23A inapplicable to corporations engaged *solely* in holding the bank premises.

It also would change Section 24A to provide that

"Hereafter, no national bank,

without the approval of the Comptroller of the Currency, and no state member bank, without the approval of the Board of Governors of the Federal Reserve System, shall (1) invest in bank premises, or in the stock, bonds, debentures, or other such obligations of any corporation holding the premises of such bank, or (2) make loans to or upon the security of the stock of any such corporation, if the aggregate amount of all such investments and loans, together with the amount of any indebtedness incurred by any such corporation which is an affiliate of

### 27 New Members

Twenty-seven banks in twelve states, Martinique, and Morocco became members of the American Bankers Association during June according to the report of the Association's Organization Committee. Glen C. Mellinger, vice-president of The Detroit Bank, is chairman of the committee.

the bank, as defined in Section 2 of the Banking Act of 1933, as amended, will exceed the amount of the capital stock of such bank."

## News for Instalment Credit Men

Items and Comment from Our Instalment Credit Commission and Other Sources

### Danes Studying Instalment Credit Operations in U.S.

THE United States Department of Commerce, under the auspices of the Foreign Operations Administration, is conducting a study program for nine representatives from Denmark. The program began June 27 and will end on August 7.

The purpose of this study is to observe and understand how instalment credit for consumer durables affects the economy of the United States, and to determine the methods of operation so that instalment credit might be more fully developed in Denmark, and thus aid in stimulating and developing the internal economy of that nation.

The group's itinerary has included banks, finance companies, retail merchants associations, Government agencies, etc., in New York, Philadelphia, Washington, Detroit, Chicago, Denver, Seattle, and San Francisco.

Before returning to Denmark, the men will visit the A.B.A. where they will review and discuss the results of their various conferences.

### Banker "Your Friend"

EASY Payment Planning for Your Modern Kitchen is fully described in a pamphlet available through Republic Steel Kitchens dealers and distributors.

In simple terms the pamphlet de-

tails six methods of financing new kitchens, both in new homes and as improvements in old homes. They are: conventional bank loans; FHA Title II Home Loans, FHA Title I loans; open end mortgages; credit unions; insurance loans.

In the section on conventional bank loans, the pamphlet has this to say: "Remember . . . your banker is your friend. He shares your churches, your schools, your fraternal and social associations with you. You trust him with your checking and savings accounts. He trusts you as a good credit risk. Look to him for financial counsel when you plan to purchase a new, modern Republic Steel Kitchen."

### Abroad on Credit

JUST announced is the Travelers Credit Service, a credit plan and charge account to 250 of the luxury restaurants, shops, clubs, and car hire services in 14 European countries. This credit service was designed specifically with the corporation executive in mind.

The new service was founded by travel industry men, and does not include hotel accommodations in its services to avoid any conflict with the interests of travel agents.

Charges made abroad are figured at the prevailing rate of exchange on the day that a purchase is made. Its founders feel it has some very distinct advantages in eliminating the necessity for carrying large

sums of money, and in providing an exact record of expenditures.

Travelers Credit Service maintains offices in London and at 11 East 44 Street, New York 17, N. Y.

### Instalment Credit Record: 77% of All Consumer Loans

THE American people in their record spending since the end of World War II bought \$200-billion worth of automobiles and other durable goods in the eight-year period from 1946 through 1953 and borrowed \$110-billion on the instalment plan to finance those purchases, reports the Institute of Life Insurance.

By the end of last year, the Institute finds, \$94-billion of these consumer goods loans, which made up about half of all consumer credit outstanding, had been repaid, leaving a net balance of \$16-billion. There has since been a further reduction as repayments have exceeded new borrowings.

The record shows, according to the Institute, that the typical American today will borrow freely to stretch his income, but in the main is pretty sensible about how deeply into debt he goes and has done an excellent job to date in meeting his obligations. He is the greatest shopper and spender the world has ever seen, and at the same time the greatest saver, too.

A review of the consumer credit records since the Twenties reveals

how instalment debt has grown to dominate the personal borrowing field, the Institute reports. At the end of the first quarter of this year, the net amount of instalment credit outstanding represented 77% of all consumer loans. This was the highest such proportion on record. The equivalent ratio at the end of 1953 was 75%, while the comparable one in 1939 was 63%. In 1929, instalment debt represented only 50% of all consumer credit outstanding that year.

## Same-Day Service Offered on Bank's Boat Financing

THE Franklin National Bank, Franklin Square, New York, has this year established a marine financing section in its instalment loan department.

The bank established this department on January 21 of this year according to the magazine *The Boating Industry*, and "in this brief space of time the results have been so favorable from both bank and customer viewpoints that boat instalment business has become an established part of the bank's activities."

## NYSBA Annual Clinic

THE third annual Instalment Credit Clinic of the New York Bankers Association will be held at the Hotel Syracuse, Syracuse, on Monday and Tuesday, September 27 and 28.

"Shortly after World War II," the magazine reports, "the Franklin National took on a certain amount of marine financing but it dropped off until, three years ago, they were doing business with only one or two comparatively small yards. No one at the bank seems to know just why this happened—certainly it was not due to any record of delinquency—but it is possible that the great post-war home building boom on Long Island and the consequent mortgage business so overwhelmed the staff that boating just faded into the background for lack of anyone to follow it up."

Of the bank's decision to re-enter the boat-financing field, the magazine reports that "once the decision was made, the Franklin National established a special Marine Financing Section of its Instalment Loan Department Western Division under

the direction of William T. Conroy, assistant vice-president. Business was to be strictly limited to their normal banking area.

"The first step was, of course, to set up methods of procedure, rates of interest, down payments, and terms of payment. It was decided to follow much the same lines as those used in automobile financing, in which they had considerable experience. Down payments were set at 25% on new boats and 30% on used boats, trade or cash, and the balance payable in monthly instalments within a maximum time of three years. Interest rates varied with the amount involved. Instalment buying was made available for the purchase of new equipment, and personal loans for repairs and overhaul.

"Instalment boat sales can be arranged through the main office in Franklin Square or any of the seven branches and each branch manager can complete a transaction in his area from credit information supplied by the main office. The bank prides itself on its speed of operation and except in very unusual cases an instalment purchase can be consummated on a 'same day' basis."

# News on Savings

Items and Comment from Our Savings and Mortgage Division and Other Sources

## Division Has New Booklet on Window—Lobby Displays

BANKS can learn much from merchants about the use of displays, according to the Savings and Mortgage Division of the American Bankers Association, which has mailed to all mutual savings banks, secretaries of state bankers associations, and officers and committee members of the Division an announcement of its new booklet, "Selling Your Bank Through Window and Lobby Displays."

In a letter to the banks, John W. Kress, president of the A.B.A. Savings and Mortgage Division, and executive vice-president of The Howard Savings Institution, Newark, New Jersey, said: "Window and lobby displays are point-of-sale ad-

vertising media to which people can respond by taking immediate, on-the-spot action."

The new booklet is aimed at assisting banks in planning and making the best use of available window and lobby space, and it contains many illustrations of how banks have used this space to sell the services of their banks successfully. The booklet will be available to A.B.A. member banks on request, at a charge of \$1 each to cover the cost of printing and mailing.

Several pages of the booklet are taken up with photographs of window and lobby displays which have proved successful in banks in all sections of the country. Themes of these displays include such banking services as thrift; home improvement loans; financing of travel; saving for education and vacations; ex-

hibits of American and foreign currencies, counterfeit money, gold nuggets, and legal documents; and many others aimed at community interest.

## Savings Trend Is Up

THE trend of savings continues upward.

Time deposits in commercial banks at the end of four months of 1954 stood at \$44.7-billion, which represents a \$1-billion increase since the first of the year.

Savings deposits in mutual savings banks had increased to \$25.5-billion, an increase of \$400-million in the first four months of 1954.

Deposits in the postal savings system were \$2.3-billion.

Share accounts in savings and loan associations stood at \$23.9-billion.



lion at the end of the first quarter, up \$1-billion in the first three months of the year.

Individual savings increased nearly \$1-billion more in the first three months of 1954 than in the corresponding period of 1953. This is from the report of the Securities and Exchange Commission which showed that individual savings totaled \$3.3-billion in that period, compared with \$2.4-billion in the first quarter of 1953.

## Legal List at New High

THE amount of corporate bonds on the New York State Banking Department's legal list increased by over \$2.1-billion in the year ended July 1, 1954, to reach a total of over \$26-billion, the highest on record, according to William A. Lyon, Superintendent of Banks.

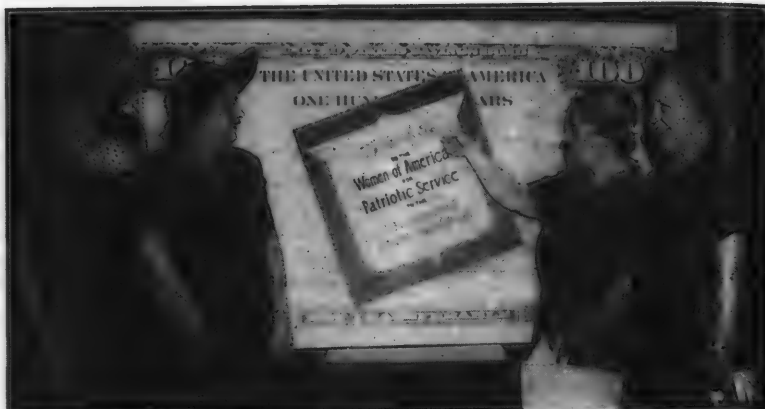
This total compares with the figure of \$8.6-billion shown by the legal list 10 years ago. Approximately 78% of the gross increase in the current year is represented by new issues of companies already listed and the balance by obligations of companies whose names have been newly added to the list.

As required by the Banking Law, the legal list has been compiled and published by the Banking Department each year since 1915. The investment powers of the 130 savings banks of the state are derived from the most part from the statutory provisions which determine the content of this annual publication. Certain sections of the list are also followed by fiduciaries in the investment of trust funds under the provisions of the Personal Property Law.

## Shopping-Center Service Is Expected of Banks

"PEOPLE have adopted supermarket service and the shopping-center facilities as part and parcel of their daily living," Granville S. Morgan, vice-president of The Philadelphia Savings Fund Society, told the savings and mortgage conference at the recent annual convention of the American Institute of Banking.

"From the grassroot centers of America to the highly urbanized industrialized cities, our people are seeking those places where they can do all their shopping under a single



At a recent meeting of the National Women's Advisory Committee of the United States Treasury Savings Bonds Division in Washington, Treasury Secretary George M. Humphrey said that "inflation is over if the American people have the determination and the stamina to do the right things, and to withstand the primrose path pressures that we are all subjected to." The women leaders met to develop and formulate promotional sales plans for series E and H Savings Bonds through school savings, payroll savings, and over the counter purchases at banks. Shown above, left to right, Miss Mary M. Condon, chairman, Educational Committee for Savings Bonds, Helena, Montana; Mrs. Oscar A. Ahlgren, chairman, National Women's Advisory Committee, Whiting, Indiana; Mrs. George M. Humphrey, Washington, D. C.; and Mrs. Ruth E. Sherrill, president, Association of Bank Women, Memphis, Tennessee

roof or in one concentrated area," Mr. Morgan continued. "They look for and expect the same service from our banks; and if a bank offers all of the banking services needed under one roof, or if a bank locates itself conveniently and provides modern facilities, its present customers will be retained and new ones will be secured. Growth will be automatic. A savings account should be one of the public's needs; and the commercial banks would do well to offer this service along with checking accounts, personal loans, etc.

"The savings promotion trend, established by the savings and loan associations and followed by some banks also, strives to entice the non-savers into opening savings accounts in exchange for wallets, deep freezers, trips abroad, even Cadillacs. A few years ago, the Savings and Mortgage Division of the American Bankers Association published a booklet which outlined various incentive savings plans used by banks throughout the country. This publication discussed plans such as 'packaged saving plan,' the 'certificate of deposit,' 'future payday security,' club plans, budget savings accounts, and others. All of them are good, but how can you compete with a gift for every new savings

depositor and a chance on an automobile to boot?

"I'll tell you how, and it will cost less money. Make your bank deserving of the public's good opinion by providing the services they want and in the way that they are entitled to be served.

"The most elaborate promotional plans and program designed to encourage saving and to sell our services are doomed to failure even before their conception, let alone their installation, unless we understand the public and do something about public opinion.

"THE public's opinion of us is important. Competition for savings is keen, but it forms the basis of our American way of life, and it is competition that provides the needed stimulus for the growth of our banks. Our commodity is service—good service. The public will desert us or support us depending upon the quality and the quantity of our service. If our primary aim is to encourage thrift and provide banking services for every one, our ultimate aim should be 'a savings account for every American family.'

"This sounds like an ambitious program, but it is the goal which the savings and loan associations have in mind."



# News for Mortgage Credit Men

Items and Comment from Our Savings and Mortgage Division and Other Sources

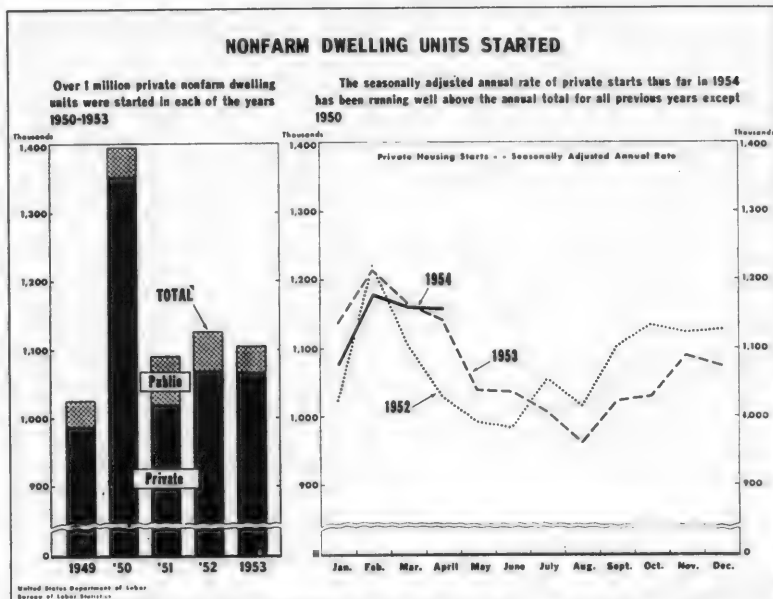
## Easy Terms: Heavy Debt

HOME buyers should be on guard against being lured into too heavy debt by apparent ease of purchase on a program of nothing down and small amounts payable weekly. So said Joseph R. Jones in a speech before the Savings and Mortgage Conference at the recent annual convention of the American Institute of Banking. Mr. Jones is vice-president of the A.B.A. Savings and Mortgage Division and vice-president of Security-First National Bank of Los Angeles.

"Home ownership is something to be encouraged for the individual and for the good of the community," Mr. Jones said. "But it should always be kept on a sound financial basis which the owner can hope to carry under any reasonable expectancy for the future. Borrowers should carefully consider their total obligations in relation to total income. Failure to consider cumulative effects of 'easy payment' buying often leads to excessive debt and serious financial problems; but if the home is purchased in keeping with current and expected income it will provide one of the greatest satisfactions and sources of enjoyment to any family.

"A temporary recession in the real estate market," he said, "should not disturb that family, as they have planned their ownership over a long period of time. If history repeats itself, as it always has done during the last 150 years, any recession of value will return after a period of time; and thus no loss should be necessary if the house is owned on a sound economic basis.

"There are some analysts who see the possibility of a severe downturn in the market in the near future, due to overproduction; but most analysts feel that the adjustment will not be too severe and will be corrected within the reasonably near future. Many say that by 1960 we will see greatly increased activity in the real estate market due to a large increase in the population of persons of marriageable age.



"The future of real estate is tied in closely to our Federal Government and will depend upon whether there is war or peace, high or low taxes, Government spending, and Government control or manipulation. I sincerely hope that the Government will never encourage building beyond real need, or legislate for financing on any unsound basis merely to create an artificial support for the general economy."

## Insurance Mortgages

THE nation's life insurance companies increased their mortgage holdings by \$16-billion, or more than threefold, in the post-World War II period from 1946 through 1953, the Institute of Life Insurance reported recently.

Total mortgage holdings of the life companies rose from \$7.2-billion at the end of 1946 to \$23.3-billion at the end of 1953, an increase of 225%, the Institute stated. By comparison, the Institute reports, total real estate mortgages in the United States in this period increased from \$41¼-billion to approximately \$100-billion, a rise of about 140%.

"Thus the mortgage holdings of

the life insurance companies in the post-World War II period showed a rate of growth 60% greater than that of real estate mortgages as a whole," the Institute said.

Life insurance company mortgage holdings on one-to-four family residences alone increased fivefold in the 1946-53 period, from \$2.6-billion to about \$13-billion, the Institute stated. As a result, the life companies held a fifth of all mortgages outstanding on homes of this type at the end of 1953, nearly double the comparable proportion in 1946.

The life companies in addition hold nearly \$4-billion of mortgages on multi-family housing units. Thus the nonfarm residential mortgages of the life insurance companies add up to approximately \$17-billion, or more than 70% of all funds loaned on mortgages by the companies. At the same time, farm mortgage holdings of the life insurance companies have more than doubled in the 1946-53 period, rising from \$800,000,000 to \$1.9-billion.

## Home Exhibit Enlarged

THE New Home Buyers Exhibition at The Dime Savings Bank of Brook-

lyn has been redesigned and enlarged. Now in its seventh year, the exhibit and "Library of Homes" now occupies 5,000 square feet just off the rotunda at the bank's main office.

The exhibit is jointly maintained by the Dime and by the Long Island Home Builders Institute. Shown are the newest offerings of more than 100 builders of houses and apartments. There are pictures, floor plans, and descriptions of special features. The exhibit is designed to let homeseekers "shop" the current offerings, which range in price from \$6,000 to \$50,000.

There is no admission charge to the exhibit and trained consultants are on duty to answer questions pertaining to home financing and ownership.

In addition to the builders' displays, considerable space has been set aside for showing home equipment. Included are two complete kitchens, one of wood and one of steel.

## June Construction Up

EXPENDITURES for new construction rose seasonally in June to \$3.3-billion, bringing the 1954 first-half total to a record \$16.6-billion, slightly more than the 1953 January-June total, according to preliminary estimates prepared jointly by the U. S. Departments of Commerce and Labor. Private spending (\$2.2-billion) and public (\$1.1-billion) both were at peak for the month of June.

Most of the June increase (7%) in total construction reflected seasonal gains in private housing and highway construction. Commercial building and public-utility and farm construction also accounted for a substantial share in the over-all rise from May. Private industrial building, after declining steadily since the beginning of the year, leveled off in June. Most other major types of construction showed the usual May-June increase. Public housing declined.

June expenditures for commercial and religious building and road construction were at an unprecedented volume. Spending for educational (private and public) building and for sewer and water facilities construction not only reached a June peak, but also a level unequaled in any previous month.

During the first half of 1954, pri-

vate expenditures for new construction totaled \$11.4-billion. This was about 3% above last year's volume for the same months, and set a new record for the January-June period, even after adjustment for price changes.

## Discuss Voluntary Program

THE first meeting to discuss the new secondary mortgage market facility provided through the Voluntary Home Mortgage Credit Program was held in Washington on June 18 at the request of Administrator Cole of HHFA.

The A.B.A. has followed from its inception this program which is completely voluntary in every respect. The program's purpose, as explained by those participating in the meeting, is to eliminate the need for Government support of mortgage loans (such as FNMA); to forestall the need for direct Government lending; and to assure the availability of mortgage credit on an economically sound basis in small communities throughout the country, in remote areas, and to minority groups.

Representing the A.B.A. at the meeting were: John Reilly, president, Second National Bank, Washington, D. C.; Cowles Andrus, executive vice-president, County Bank & Trust Company, Paterson, New Jersey; and Thomas L. Nims, secretary, A.B.A. Savings and Mortgage Division.

## Mortgage Seminar

THE third annual Western Mortgage Banking Seminar, sponsored by the Mortgage Bankers Association of America and the Graduate School of Business of Stanford University, will be held in Stanford, California, on August 22-27. This is a school for mortgage lenders and institutional investors. Students from member organizations in all sections of the country will attend.

Commercial bankers who will speak and participate in the seminar proceedings include: Ralph B. Wright, vice-chairman, MBA's educational committee, and president, Union Bank and Trust Co., Salt Lake City; R. H. Hamilton, Citizens National Trust & Savings Bank of Los Angeles; Don H. Wageman, chairman, executive committee, Seattle-First National Bank, Seattle; Frank R. Hodgson, vice-president,

Anglo-California National Bank, Sacramento; L. D. Stark, vice-president, Anglo-California National Bank of San Francisco; Willis R. Bryant, vice-president, American Trust Co., San Francisco; V. R. Steffensen, senior vice-president, First Security Bank of Utah, Salt Lake City; Ross P. Williams, vice-president, The National Bank of Commerce, Seattle; and R. F. Morretti, vice-president, Bank of America, San Francisco.

## First Half-Year Housing Starts Match 1953 Units

NEW permanent nonfarm private housing starts for the first six months of 1954 will approximate starts in the first half of 1953, according to preliminary estimates of the U. S. Labor Department's Bureau of Labor Statistics. The private housing starts in the first six months of 1953 were 553,100 and it is felt that the unit starts for the first half of 1954 will be between 550,000 and 560,000.

Although figures were not available at BANKING's press time, the Bureau felt that June starts would be better than June 1953 and a little better than the 106,000 May 1954 starts.

In the first six months of 1953 public housing starts numbered 28,300, as against an estimated 6,000 units in the first six months of 1954.

## VA Housing Loan Volume

Approximately 42,000 home loan applications were received by the Veterans Administration in May, an increase of 23% over the previous month, and 73% over May 1953.

## Investigation Broadens

The Senate's investigation of FHA's Title I remodeling and Section 608 rental housing programs went into closed session but with public hearings still scheduled, and indications that the inquiry might be broadened into a full review of all Governmental housing activities under the previous Administration.

As this was written, indications were that certain former housing officials would be called to the stand, and Senator Homer E. Capehart said his committee was planning on-the-spot hearings in a number of cities.

# Continental Illinois National Bank and Trust Company of Chicago

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*Chairman*

J. Q. ADAMS  
*Real Estate*

CARL A. BIRDSALL  
*President*

CHAUNCEY B. BORLAND  
*Managing Owner, Borland  
Properties*

CHAMP CARRY  
*President, Pullman Incorporated*

D. A. CRAWFORD  
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*Vice President*

HERMAN WALDECK  
*Executive Vice President*

CHARLES D. WIMAN  
*President, Deere & Company*

## *Statement of Condition*

JUNE 30, 1954

### RESOURCES

Cash and Due from Banks.....	\$ 724,980,054.80
United States Government Obligations...	1,097,640,014.92
Other Bonds and Securities.....	146,262,165.34
Loans and Discounts.....	647,441,754.21
Stock in Federal Reserve Bank.....	5,250,000.00
Customers' Liability on Acceptances.....	1,849,505.48
Income Accrued but Not Collected.....	9,495,691.37
Banking House.....	8,250,000.00
	<u>\$2,641,169,186.12</u>

### LIABILITIES

Deposits.....	\$2,396,538,399.68
Acceptances.....	1,897,670.00
Dividend Payable, August 2, 1954.....	2,250,000.00
Reserve for Taxes, Interest, and Expenses.	10,766,540.20
Reserve for Contingencies.....	18,109,767.08
Income Collected but Not Earned.....	750,795.73
Capital Stock (2,250,000 shares. Par value \$33½).....	75,000,000.00
Surplus.....	100,000,000.00
Undivided Profits.....	35,856,013.43
	<u>\$2,641,169,186.12</u>

United States Government obligations carried at \$316,222,538.50  
are pledged to secure public and trust deposits and for other  
purposes as required or permitted by law

LA SALLE, JACKSON, CLARK AND QUINCY STREETS  
LOCK BOX H, CHICAGO 90, ILLINOIS

*Member Federal Deposit Insurance Corporation*

# News for Trustmen

Items and Comment from Our Trust Division and Other Sources

## Trust Resources Increase

**T**OTAL trust resources of banks in Pennsylvania increased more than 13% during 1953, Malvin F. Gstalter, chairman of the Trust Division of the Pennsylvania Bankers Association, and vice-president and trust officer, The First National Bank of Williamsport, announced recently.

The study shows that total trust resources of banks in the state with trust departments were \$6,679,755,573 on December 31, 1953, which represents an increase of \$893,446,326 over the figure for the end of 1952.

"The tremendous increase in trust resources shows that the public is becoming more and more conscious of a need for professional guidance

in estate planning," Mr. Gstalter pointed out. "It is a gratifying vote of confidence in bankers and trustmen by the people of the state," he said.

Pennsylvania had a total of 332 trust institutions at the end of 1953, as compared to 342 at the end of 1952. The decrease of 10 trust institutions has been due to bank mergers and absorptions during the year.

## McIlwain's Trust Lectures Condensed in New Booklet

**I**RVING TRUST COMPANY, New York, has published a 60-page booklet, *Executor's Functions in Estate Administration*. The booklet is a condensation of lectures given to audiences of lawyers upon the invitation of the Practising Law Institute of

New York, by John F. McIlwain, vice-president of Irving.

The bank's president, R. H. West, says in a foreword that "Mr. McIlwain has been on Irving's Personal Trust Division staff for 30 years. The booklet is a complete rewriting of an earlier and less complete version long out of print.

"If busy practitioners find this a convenient reminder and guide, then it will have served its purpose," Mr. West writes.

## Trust Investments Need Personalized Handling

**I**NVESTMENT of trust funds must be kept on a personalized basis regardless of advances in business machines and methods, said Frank M. Perley, vice-president and invest-

## The Bank's Role in Estate Administration (III)

*Inventories, handling of claims, and Federal estate tax returns are covered in this article, the third in a series by PERRY PITCHER, trust officer of the Central National Bank and Trust Company, Topeka, Kansas. The first two articles covered preliminary administrative procedures and appraisal for inventory. Future articles in the series will deal with investment review—sale or retention of securities, rendering court accounts, and closing procedure.*

### Inventories

**F**ROM the foregoing (Part II) you will see that the preparation of the inventories becomes a relatively simple matter. Except for schedule of jointly owned property for the "Inventory and Appraisal" and schedule of transfers for Tax Commission Inventory (form 12), virtually all of the necessary information is already on the books.

The sequence of steps in the matter of preparation of the "Inventory and Appraisal" and related documents is, of course, up to the probate judge and the lawyer who is handling the case, but where they

are agreeable, and they usually are, we prefer a "package deal." By this I mean the Inventory and Appraisal, Oath of Executor, Order Appointing Appraisers, and Oath of Appraisers are made up and filed as a unit. This avoids the more cumbersome procedure which a casual reading of the statutes might indicate as necessary.

The Tax Commission Inventory is, to a large extent, a rearrangement of the same material. It is our practice to prepare two copies for filing with the "Appraisalment." When the original form 12 is filed we ask the probate judge to certify the copy, which we send to the Inheritance Tax Division, together with a certified copy of the will and a letter explaining that tax forms 12g and 12Q, or form 25, will be supplied at a later date. Both the court and the Inheritance Tax Division seem to appreciate this manner of handling. At the appropriate time we then prepare forms 12g and 12Q for the court and send the executed originals to the Inheritance Tax Division with such comment of our own as seems indicated.

### Handling Claims

Both the applicable statutes and "Bartlett" set out specific procedures for handling and payment of claims, all apparently based upon the premise that every estate is probably insolvent, and in such cases all caution should be exercised. However, virtually all of the estates we handle are highly solvent and, generally speaking, we have no hesitancy in paying claims as they are presented, taking properly verified accounts when making payment, but without formality of hearing before payment. They can later be presented to the court in a "batch" for allowance and classification. Both beneficiaries and creditors seem to approve our attitude.

### Federal Estate Tax Returns

Preliminary notice to Internal Revenue Department was previously mentioned (Part I).

Optional valuation date presents a problem some times more difficult than computing marital deduction (in my opinion). The normal thing

(CONTINUED ON NEXT PAGE)



ment trust officer, American Security and Trust Company, Washington, D. C., at the American Institute of Banking convention, Los Angeles.

"Of course we must all adopt general policies which we can use as guides for administering and investing trust funds," Mr. Perley asserted, "but if we are going to maintain the position that we have attained, and continue to grow, our general pattern must be continually adjusted to meet the needs of each individual account, rather than have each account adjusted to a general pattern."

"There have become available to the American investor tremendous opportunities for investment which never existed before. We all want to take advantage of these; but in spite of 'Univac,' the million-dollar so-called 'mechanical brain,' and such other highly advanced electronic inventions, so far nothing has been developed to take the place of individual discretion.

"We are all being faced with increasing competition from such sources as mutual funds, other specialized types of investment counseling services, increased services being rendered without charge by many of the brokerage firms, and the monthly purchase plan for stocks which has been established during the past year. We want to use all forms of electronic and push-button

equipment which is being continually improved. So far these are extremely helpful, but there does not seem to be on the horizon any type of equipment that can be applied to the selection of desirable securities and determining the times at which changes should be made in the investments of any particular account. Let us keep each individual account on a basis to best meet the needs of that individual group, . . ."

## \$2-billion in Benefits

NEARLY \$2-billion a year is now being paid to American families as benefits from employee insurance and retirement programs, the Institute of Life Insurance reported recently. The amount will be much larger than this in another few years if the present trend continues towards more pensions, larger amounts of group life insurance and wider sponsorship of medical, accident, and hospital insurance plans.

## Securities Study

A STUDY entitled "Charging Off Worthless Securities—A Review of Procedures" was recently completed by the Committee on Operations for Trust Departments of the A.B.A. Trust Division. Robert L. Cudd, second vice-president, The Chase Na-

## Estate Administration

(CONTINUED FROM PAGE 98)

to do is wait for one year, recompute values, use whichever set of values is most favorable to the estate, prepare and file the return and then wait another six months or year for audit.

In many cases this delay is very irritating to the beneficiaries who (1) want to know the tax liability, and (2) want to get the estate fully closed as soon as possible.

In a rising market there is no problem but under current conditions it is a matter which should be gone into thoroughly with the beneficiaries who are to be affected.

If they really understand that using "date of death" values may result in higher tax, but still want speedy settlement, and will give you a writing to that effect, you may be justified in filing an early return, but be very careful.

As to the actual preparation of the return, it is our practice to assemble all of the information requisite and then, after conference, turn it over to a qualified firm of accountants to prepare the return.

tional Bank, New York, is Committee chairman.

This study was printed in the May *Trust Bulletin*.

## CALENDAR

### American Bankers Association

Aug. 19-20	Western Regional Trust Conference, Hotel Statler, Los Angeles
Oct. 17-20	80th Annual Convention, Atlantic City
Nov. 4-5	Midcontinent Trust Conference, Drake Hotel, Chicago, Ill.
Nov. 29-Dec. 1	Third National Agricultural Credit Conference, Hotel Peabody, Memphis, Tenn.
Dec. 16-18	National Credit Conference, LaSalle Hotel, Chicago, Ill.

### State Associations

Aug. 22-27	Pennsylvania Bankers Association, Summer School, Pennsylvania State University, State College
Aug. 29-31	Maine Savings, Poland Spring House, Poland Spring
Sept. 9-11	Massachusetts Savings, Washington Hotel, Bretton Woods, N. H.
Sept. 17-18	Connecticut Savings, Hotel Wentworth-By-The-Sea, Portsmouth, N. H.
Oct. 11-12	Nebraska, Fontenelle Hotel, Omaha
Oct. 24-26	Kentucky, Brown Hotel, Louisville
Nov. 3-5	New York Savings, The Greenbrier, White Sulphur Springs, W. Va.
Nov. 7-10	Iowa, Ft. Des Moines Hotel, Des Moines
Nov. 18-20	Arizona, Arizona-Biltmore Hotel, Phoenix

### Other Organizations

Aug. 1-14	Eastern session, Graduate School of Credit and Financial Management, Credit Research Foundation of the National Association of Credit Men, Dartmouth College, Hanover, N. H.
Aug. 8-20	School of Consumer Banking, University of Virginia, Charlottesville
Aug. 28-Sept. 4	School of Banking, University of Wisconsin, Madison
Sept. 26-30	Financial Public Relations Association, Hotel Statler, Washington, D. C.
Sept. 27-30	41st Annual Convention, Mortgage Bankers Association of America, Conrad Hilton Hotel, Chicago
Sept. 30-Oct. 3	Association of Bank Women, National Convention, Shamrock Hotel, Houston, Texas
Oct. 3-6	Consumer Bankers Association, Hotel Roosevelt, New Orleans, La.
Oct. 13-15	National Association of Supervisors of State Banks, Sir Walter Raleigh Hotel, Raleigh, N. C.
Oct. 18-21	National Association of Bank Auditors and Comptrollers, 30th Annual Convention, San Francisco
Nov. 28-Dec. 3	Investment Bankers Association, Hollywood Beach Hotel, Hollywood, Fla.

# "What a Convention!"

**Y**OUR 1954 state association convention is probably over, and you've put it down as the "best ever"—an endorsement that will stick until next year's meeting.

It was a good convention. But it didn't just happen. Somebody—in fact, many somebodies—planned for months to make your one-, two-, or three-day stay in Convention Town worth a busy man's time. First, of course, came the program-building: ideas for subjects, letters, phone calls, follow-ups, detailed arrangements. Good programs, like good banks, are built carefully, and from the bottom.

**A**ND it didn't just happen that you saw old friends and made new ones, and that you lined up some new correspondent accounts, or found a "big city" banker with an

answer to an operating or management problem. Those fellows were there for the same reason you were; they knew it would be a good convention.

You learned a lot. The businessmen, bankers, Government officials and agency spokesmen, political personages, representatives of the Armed Forces, and others who were the convention speakers produced ideas worth carrying home. And from the reports on the work done by your association's committees in such fields as bank management, public relations, farm credit, operations, and education, you got much that was worth while, regardless of your title in the bank.

Bankers convention programs cover specific interests that reflect the work of the associations. There's usually high priority for a talk on

the business-banking outlook; and in these days of swiftly moving operational developments, particularly in mechanization, you're apt to find a speaker who's expert on electronics in banking. Auditing is another top-interest topic.

**P**UBLIC relations, which covers a multitude of matters, is popular, too, at state meetings. The associations' own work in promoting such activities as school tours, farm tours, farm youth programs, Know Your Bank Week, public opinion surveys, advertising media studies, and public education projects of various kinds are productive of take-home suggestions. So are the discussions of bank protective and insurance programs, pension plans, staff relations, credit policy, investments, lending activities.

## Six Newly-Elected Heads of

*Left to right: WYOMING—Robert A. Nelson, president, First National Bank, Powell; WISCONSIN—Ray G. Tiegs, executive vice-president and cashier, Farmers and Merchants Bank, Tomah; ILLINOIS—Henry D. Karandjeff, president, Granite City Trust & Savings Bank, Granite City*



---

*That good program didn't just happen. It takes months to line up those speakers on new developments in banking . . . Maybe your state officers visited Washington last year, or went to New York to talk over problems with the A.B.A. staff*

---

IF your state association is one of the 28 that now sponsor banking schools, you heard a report on an increasingly useful and popular activity. Or maybe your group is planning an educational program; in that case the convention listened to and contributed suggestions for the course.

Also, there's a good chance that your association's officers and secretary were among those who visited Washington during the previous year, and perhaps stopped in New York to talk things over with American Bankers Association staff people. In the capital several groups of state association people called at the Comptroller's Office, the Federal Deposit Insurance Corporation, the Federal Reserve Board and the Washington office of the A.B.A. These get-acquainted tours were mu-

tually helpful: the bankers, on the one hand, and the agency men and A.B.A. staffers, on the other, had an opportunity to get acquainted.

THE work of your state association reported in detail at the 1954 annual meeting, may well have included a project or two borrowed from another state. For part of the job that's being done these days by the State Association Section of the A.B.A. is to provide a clearing house service for activity ideas. Thus, when one state adds an activity to its program, the results are made available, by its secretary, to his colleagues in the other associations. Suggestions for convention and conference programs are often exchanged, too.

The state secretary who is the operating head of your association

is not only a member of the A.B.A. Section, but of his regional conference—eastern, southern, central, or western, as the case may be. Each of these geographical groups holds an annual meeting at which mutual problems are discussed.

THE state association convention season starts in the early spring, is at its peak in May and June, and then tapers off rapidly, although a few states usually hold the annual meeting in a fall month. As many of the conventions as possible are addressed each year by the president or the vice-president of the American Bankers Association. Thus in 1954 President Everett D. Reese, at this writing, had spoken at 17 conventions, and his teammate, Vice-president Homer J. Livingston, had addressed 13 of them.

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## State Bankers' Associations

*Left to right: VERMONT—Gerald M. Ladd, treasurer, Hardwick Trust Company, Hardwick; MARYLAND—Hubert P. Burdette, president, First National Bank, Mount Airy; NEW JERSEY SAVINGS BANKS ASSOCIATION—Ernest R. Hansen, treasurer and trust officer, Perth Amboy Savings Institution, Perth Amboy*



# Operating Procedures

(CONTINUED FROM PAGE 43)

step, making a rough work-flow chart or pencil listing of each operation in the order of its occurrence. Banks with manuals of operation or written procedures will find them very helpful in assembling these facts.

The next step is the appraisal or analysis of what was developed in Step 1. The entire operation is studied to determine if procedures can be eliminated, combined or sim-

plified. Major changes, including possible or further mechanization, are considered. In seeking the one best way to accomplish each task, procedures are subjected to a series of questions:

**Why is it done?** This query often reveals that the usefulness of a certain procedure has long since passed or that a possible improvement can readily be effected.

**When is it done?** This may disclose that certain tasks can be performed more advantageously or more conveniently at another time (deferred posting and staggered

billing dates are examples where timing is important).

**Where is it done?** This may point out a change of location for increased efficiency.

**How is it done?** This question really gets at the root of the problem and is the best guide in considering possible changes in methods.

Step No. 3 considers the possibility of further mechanization.

## How It Works Out

Mr. Cooper applied his three-point program to actual practice. Assume it's been decided to make a periodic appraisal and study of the proof and transit operation. Since it is advisable to concentrate on one operation at a time, proof of deposits will be analyzed first, followed by a transit study at a later date. (If it is impractical to separate these functions, the study, of necessity, must include the over-all operation.)

The survey will consist merely of a fact-gathering mission. Samples of every form used will be obtained. Volume figures also will be assembled and tabulated for average days and peak days. Not only are over-all figures necessary, but the statistics should be broken down by sorts, handlings, manner of processing, etc.

Time records likewise are important, including the time spent in each phase of the operation as well as the over-all time to process total volume. Let each employee keep his own time record. The estimated time needed to complete a given task is necessary for an intelligent determination of the cost of each operation.

Hand in hand with time records is the report of the number of people presently required to complete the job. This likewise should be determined as closely as possible for each phase of the operation. In addition, some idea of present costs is essential for an accurate appraisal of the efficiency of the operation.

## Analysis Most Important

After all facts are assembled, they will be subjected to thorough analysis and study. This is the most important step because here present weaknesses and problems are recognized, corrective measures are explored, and conclusions and tentative recommendations are established. It may be that volume fluctuates.

(CONTINUED ON PAGE 104)



This independent bank invites accounts from other banks and corporations. Send us your cash and collection items. Refer your friends to us when they come to Los Angeles.

## STATEMENT OF CONDITION

AS OF JUNE 30, 1954

### Resources

Cash on hand and due from Federal Reserve and Other Banks	\$ 70,749,475.75
U. S. Government Securities	79,034,112.68
State and Municipal Bonds	3,381,023.18
Federal Reserve Bank Stock	315,000.00
Loans and Discounts	85,732,006.00
Union Bank Building	1,461,457.80
Customer Auto Parks	152,915.03
Safe Deposit Vaults	1.00
Furniture and Fixtures	1.00
Customers' Liability under Letters of Credit and Acceptances	1,907,956.42
Other Resources	178,087.48
<b>TOTAL</b>	<b>\$242,912,036.34</b>

### Liabilities

Capital	\$ 4,500,000.00
Surplus	6,000,000.00
Undivided Profits	1,518,423.96
Reserved for Contingencies	1,286,546.46
Reserved for Interest, Taxes, Dividends, etc.	1,862,623.27
Liability under Letters of Credit and Acceptances	1,907,956.42
Discount Collected—unearned	778,239.34
Other Liabilities	398,351.50
<b>DEPOSITS: Demand</b>	<b>\$179,827,632.75</b>
Time	23,730,354.72
U. S. Government deposits and other public funds	21,101,907.92
<b>TOTAL</b>	<b>\$242,912,036.34</b>

United States Government Securities carried at \$28,388,215.40 in the foregoing statement are pledged to secure public funds and for other purposes required by law

**UNION BANK & TRUST CO**  
OF LOS ANGELES

#### OFFICERS

Chairman of the Board & President  
Ben R. Meyer

Senior Vice President  
Joseph C. Lipman

Vice President  
Edward H. LeBreton

Paul E. Neuschaefer

Louis Siegel

William C. Neary

John W. Lühring

Hal W. Cross

Harry N. Herzikoff

Lauren H. Conley

Vice President & Comptroller  
William Watson

Cashier  
William J. Hunter

Assistant Vice President  
Rod Maclean

Leo C. Helfenberger

Warren P. Tenney

Robert E. Gerz

W. Edwin Weir

Arthur W. Horn

Assistant Cashiers  
Charles H. Landis

Al L. Somerindyke

Angus J. MacLennan

Arthur R. Horne

Roland C. Mathias

Frank Dansby

William W. Blakely

Kenneth E. Ritter

Eugene T. Bovee, Jr.

Warner Heineman

William L. Olson

Edwin P. Ziegler

Harvey R. Walk

Auditor  
Walter B. Hill

#### TRUST DEPARTMENT

Vice President  
Samuel B. Burnham

Assistant Vice President & Trust Officer  
Ray H. Kerns

Assistant Trust Officers  
Margaret Morris

Alfred T. Hartwell, Jr.

Lewis B. Maier

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION AND FEDERAL RESERVE SYSTEM • THE BANK OF

PERSONAL SERVICE • WE HAVE NO BRANCHES



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**Remington Rand**

## BETTER BUSINESS METHODS

For Greater Profits  
Through Lower Costs



### Lost motion eliminated... records safe from fire

Thousands of banks have cut waste motion in their bookkeeping departments by installing Remington Rand Safe-Ledger Files, Safe-Ledger Trays and Safe-Check Files. These handsome insulated units combine perfect working convenience with fire protection at point-of-use 24 hours a day. Your ledgers and checks are right beside the bookkeeper, ready for fast finding and filing. When not in use, these vital records are sealed behind insulated walls—safe from smoke, flames and water.

These Safe-Ledger and Safe-Check insulated units are certified by the Underwriters Laboratories and the Safe-Cabinet Laboratories to protect contents for one hour in fire reaching 1700° F. And since this is "point-of-use" protection, there's no need to transfer your vital records to and from safes or vaults daily. Exclusive Gray-Rite finish blends with any surroundings... offers amazing resistance to scratches, scuffs and cleansing alkalies... won't chip, peel or discolor. The Safe-Ledger File and the Safe-Check File form a harmonious combination for a self-contained unit-bookkeeping operation.

Whether you file checks centrally or with account records, it will pay to investigate this work-saving approach to bank accounting. See your local Remington Rand representative or send for free booklet SC672.

**NEW—** Check-Size Tip Top Tab Guides... especially developed for banks. The last word in extra visibility... faster reference... longer wear. These card inserts for efficient guiding of your check files are automatically prepared by your address plates as a part of the regular procedure for opening accounts, heading up statements and other records... a big saving in time and labor. For free sample, circle Cat. No. 6459.19.

## MODERN SUCCESS STORY IN OLD NEWPORT, R. I.

What results can your bank expect to gain from modernization and expansion programs? Mr. C. C. Moore, President of the Newport National Bank, provided concrete answers to fellow bankers in a recent year-end report to shareholders.

This 150-year old bank reported an increase of \$1,150,000 in demand deposits. Loans increased \$1,000,000. Savings deposits were up \$750,000.



### A face-lifting for your bank at modest cost

There's a real combination of beauty and utility in our mass-produced stock counters for economical modernization of old banks or new branches. These lower counters promote friendly customer relations. Tellers get comfortable knee space, effort-saving long-life drawers with trays as needed, and space for window machines. Many combinations can be made to suit your particular needs. Counters can be lengthened or rearranged later as your requirements change.

Custom and semi-custom bank counters are also available in innumerable variations—traditional or modern as you wish—in curved, angled or staggered arrangements to fit with your present equipment.

For a 16-page booklet, full of business-building bank layout ideas, circle X1440.

Total assets rose \$2,200,000. The "how they did it" story makes inspirational reading for any banker!

The bank's officers were facing the growing needs of an expanding community when they launched their expansion and modernization program. Each step of the project had to be carefully planned so as not to interfere with the daily operations. Remington Rand specialists were brought in at the planning stage and followed through until the execution of the major changes had been completed. From this one source the bank obtained a steel vault stack and cupboard units. Remington Rand's Business Services Department set up their safety deposit record system in Safe-Kardex cabinets. The banking floor was remodeled and new counters installed. Bookkeeping stations were equipped with Safe-Ledger Files and Safe-Check Files. Other improvements included a MultiSort unit for alphabetic sorting by account names; filing cabinets, including a special microfilm storage cabinet; and filing systems, file folders and Super-Riter typewriters... all from Remington Rand.

By selecting the best in operating equipment and methods, officers of the Newport National have enabled their personnel to meet efficiently the demands of today's business. They have also prepared well for future expansion. At the same time, patrons can do business in the relaxing atmosphere of an authentically restored, traditional New England banking house.

You can get all the details on this modern success story by circling CR922 on the coupon below.

**Remington Rand**

Room 1818, 315 Fourth Ave., New York 10

Yes, I'd like the literature circled.

SC672 X1440 CR922 Cat. #6459.19

Name \_\_\_\_\_

Title \_\_\_\_\_

Bank \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

B-11

(CONTINUED FROM PAGE 102)

tuation on peak days is causing trouble. Perhaps the greatest problem is settlement difficulties, with accompanying irregular hours, overtime, and high turnover; or the over-all operation is unduly costly. The project thereupon will seek as its objective: faster processing; greater production per employee; a more satisfied personnel; worthwhile savings; or a combination of these, depending upon which problems seem most acute.

The present method of operation will be evaluated step by step with

systems functioning in other banks. Available mechanical equipment will be considered feature by feature. Comparisons will cover all the important factors including physical aspects, space requirements, operator's convenience, rate of production, sorting capacities, simplicity of operation, ease of training, employees' reactions, flexibility, obsolescence, and auxiliary operations such as item identification, endorsement, tracing, settlements, statistical reports, etc. The analysis would also include the preparation of cost estimates, comparing present costs

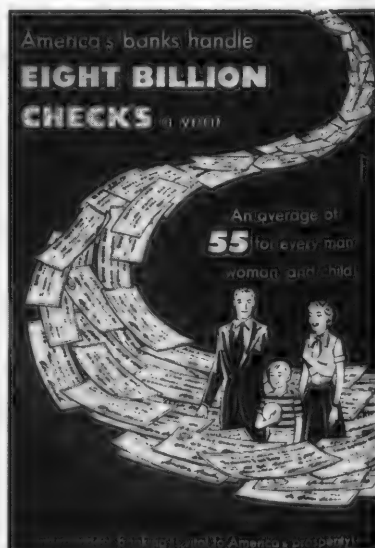
with those based on the utilization of new equipment. These estimates would take into consideration the number of people required; equipment expense, including amortized cost, rentals, maintenance contracts and obsolescence; forms and supplies; additional handlings and other operations involved. All of these elements have a part in the study. This type of analysis may appear to be unduly detailed, but it should be worth the effort since the results ought to provide a pretty good basis upon which to project some sound conclusions, Mr. Cooper said.

### Ready to Mechanize

Following the analysis the bank is ready to mechanize—further mechanize—or get better results from present mechanization. Once the new procedure has been determined, it is recommended that it be reduced to writing. Written procedures aid in a uniform understanding of the changes, make for better control, and serve to increase efficiency. It is suggested that a schedule of the changeover be prepared, step by step, so that personnel can be sold on the value of the new procedure and be thoroughly trained in its modus operandi. Periodic follow-up is advisable, at least in the beginning, since employees seem to have a way of getting back to the old method at the slightest provocation.

The Educational Foundation of the Pennsylvania Bankers Association has distributed to PBA members folders, posters, and advertising mats that highlight the story of bank checking services.

*Below, a poster*



## MEET MR. WILL PAY!

COLORADO INSURANCE GROUP  
CLAIMS AND BENEFIT  
CHECK

You'll be seeing him often . . . he's a busy man. He's the head of Colorado Insurance Group's claims department and he speeds all over the nation paying claims fast and efficiently, because he knows that speed is important to you. He always sends claims checks air mail special delivery so that claims are paid within days after the claim is made.

MR. WILL PAY



HE PAYS WHEN YOUR  
BORROWERS CAN'T!

For information wire or call collect the home office in Boulder, Colorado.

CREDIT LIFE INSURANCE  
DEBT CANCELLATION  
FIRE INSURANCE  
AUTOMOBILE INSURANCE



COLORADO CREDIT LIFE  
COLORADO INSURANCE COMPANY  
COLORADO CREDIT LIFE UNDERWRITERS

## Public Relations

(CONTINUED FROM PAGE 46)

"Everyone likes to be 'in on the know,'" Mr. Blackman asserted. "Everyone likes to be consulted and have his opinions requested. So telling our own folks first about our plans is not only good advertising; it's good employee relations."

### More Than Tired Feet

THERE are two parts to this story. Part I comprises the points made by a speaker. Part II is the method of their distribution in one bank.

First, let's listen to Mrs. Evelyn L. Worley, assistant vice-president, THE CITIZENS & SOUTHERN NATIONAL BANK, Atlanta, speaking at a New Orleans regional meeting of the Association of Bank Women. She's talking on the little things that are the big things in public relations, and mentions some of the former that are being done in her bank:

A financial lending library in the lobby; an adding machine for customers' use; free gum in officers' desks for children; free notary service; a three-day tour for farmers to the hog and peanut sections; 3,000 free farm magazines mailed to farmers; an essay contest for students; graduating class pictures exhibited in the lobby, then given to the class; a fishbowl of change for parking meters ("Last month we made 32 cents instead of losing any!"); umbrellas to borrow when it rains unexpectedly ("a majority of these come back"); a new-business representative who calls on newcomers.

"All of these little things," said Mrs. Worley, "are big things in our bank."

Now for Part II: Present at the meeting was Mrs. Belle S. Hamilton of THE FIRST NATIONAL BANK OF LEESBURG, Fla. When she went home she wrote up the speeches and discussions from her notes and gave them to the people in her bank to read.

"I do think," she comments, "that folks who are privileged to go to such splendid idea-provoking meetings at their bank's expense should bring something back besides tired feet!"

"You have to listen with your bank's ears as well as your own."

## Building Better Citizens

THE part taken by THE NATIONAL BANK OF COMMERCE of Houston in supporting youth activities in its community is outlined in a letter sent to customers by President R. P. Doherty.

The bank is beginning this year a series of scholarships—\$1,000 a year for four years at any college or university in the country for any course of study. Each year two awards will be made to the boy and girl selected by a citizens committee from local high school graduating classes.

Also, the bank is active in Junior Achievement and cooperates in supporting Little League baseball.

"We do not view today's youth with any more alarm than our parents viewed us," says Mr. Doherty's letter. "We do feel, however, that it is a common sense act to provide wholesome recreation and constructive outlets for the bursting energy of these young members of the community. We at the bank derive a great feeling of satisfaction from our small share in these activities."

The letter, we're told, has had an excellent customer response.

### History Featured at Opening

IN opening a new branch in suburban Brainerd, the PIONEER BANK of Chattanooga, Tenn., arranged an extensive program that included recognition of the area's history.

The section takes its name from the early Brainerd Mission to the Cherokees, and a chief of that tribe assisted in the festivities by giving

an exhibition of bow and arrow marksmanship on the branch's parking lot. Other events included the unveiling of a bronze bust of a pioneer figure on the bank lawn, and display of the pewter communion service used by the mission.

There were also a dinner for all employees of the contractors who worked on the building; an exhibit of \$1,000,000 in bills; a house-of-money guessing contest; free pennies; and demonstrations of modern banking equipment.

Among post-opening events was an orchid show. The Pioneer's president is George M. Clark.

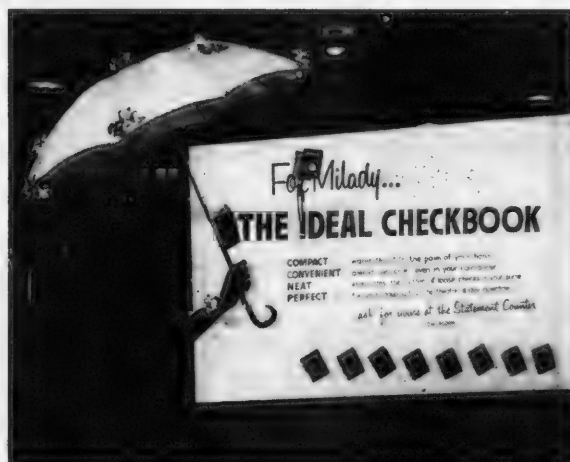
### Celebrating a Centennial

IN observance of its 100th birthday, THE NEW YORK SAVINGS BANK had an anniversary meeting for the depositors who were shown how a "mutual" operates. The demonstration was particularly dramatic because the New York pioneered in the use of electronics in the form of accounting machines and television for processing transactions. In fact, it calls itself "the savings bank that created television banking."

For the centennial party the bank arranged an electronic exhibit on the banking floor so that guests could see its modern equipment at work. As a further point of interest all the proceedings were televised on the bank's private coaxial cable for the benefit of customers at the Rockefeller Center office uptown.

As a permanent memento for the birthday the bank published an attractive brochure, "The Forward Look in Savings Banking." This told the story of the bank's growth and services from its opening.

This display by The Northern Trust Company, Chicago, placed in the banking department, brought requests for 250 purse-sized checkbooks in a week! Normal weekly demand is five or six



# Memo

From  
**JIM MURPHY** pres.  
MURPHY PRODUCTS CO.

To: EVERY BANKER WHOSE MAIN INTEREST IS  
THE FARMER AND THE FARM DEALER.

We think this reprint of an ad we ran to the  
feed dealers will be of interest to you.

The title of the ad is:  
MURPHY FEEDERS BETTER CREDIT RISKS.  
Sounds Interesting? We hope  
you'll read it!

*Jim Murphy*

The Inside Story of an Accounts Receivable Ledger Shows

# MURPHY FEEDERS BETTER CREDIT RISKS!

...when Selling Murphy's Feeds, Dealers Experience  
Less Trouble in Collecting Feed Bills.

## INVESTIGATION REVEALS THIS INTERESTING FACT!

As a Rule, Murphy Feeders Pay Their Feed Bills  
Better Than Feeders of Cheaper Brands...

### TYPICAL EXAMPLE:

Recently a Murphy salesman suggested to a dealer that he analyze his slow paying accounts by the brand of feed they bought. Although the approach was unusual, the dealer agreed. Many years of help from his Murphy man had given the dealer confidence in the Murphy methods of licking tough dealer problems.

### IMPORTANT DISCOVERY!

A thorough investigation of the Dealer's Accounts Receivable Ledger brought to light this clear cut picture.

91% OF THIS DEALER'S SLOW ACCOUNTS WERE FOR FEEDS OTHER THAN MURPHY'S. THINK OF IT! ALTHOUGH MURPHY'S FEEDS MADE UP 50% OF THIS DEALER'S VOLUME, LESS THAN 1/10th OF HIS PAST DUE BILLS WERE FROM MURPHY FEEDERS!

### Here's how the dealer sums it up!

- 1) *Murphy feeders lay out less cash for feed—at any one time.* Yet in the long run, they are able to spend more money with the dealer than those who buy cheaper feeds...because...
- 2) *Murphy feeders make money.* Their return for every feed dollar is greater. Therefore they're in a better cash-on-hand position most of the time...because...
- 3) *Murphy feeders get better results.* And better results mean they keep on feeding Murphy's. Keep on paying their feed bills. Keep buying from the same dealer...because...
- 4) *Murphy feeds build loyalty to the dealer.* Feeders started on a successful Murphy program continue it for years ...buy feed from the same dealer year after year. The best investment a feed dealer can make is to sell a customer Murphy's Feeds and Minerals...because Murphy Feeders ARE Better Credit Risks!

MURPHY PRODUCTS CO., Burlington, Wisconsin



## News for Country Bankers

(CONTINUED FROM PAGE 55)

Hickman entered Louisiana State University. He entered the employ of the bank in December 1952. Although he is presently working in the bank's bookkeeping department, Vice-president J. Az Taylor advises that his bank has better things in mind for Mr. Hickman in its agricultural department as soon as he has become familiar with the various departments of the bank.

### Needed: "Service Philosophy"

"I BELIEVE that the individual heading the farm department in a commercial bank must have primarily a service philosophy," said A. Z. Gottwals, farm representative of the First National Bank of Southern Maryland, Upper Marlboro, in a report to BANKING on the work of his department. "He must have a fairly complete knowledge and a genuine appreciation of the type of agriculture represented in the area he serves," he said. "Further he must be cognizant of the fact that agriculture will generally set the pattern of the economy within his rural area."

On the subject of budgeted loans, Mr. Gottwals said he believes "a

farmer's need for credit should be arranged in much the same manner as his over-all farm program." His bank's budgeted loans are popular with customers.

His customer relations activities on behalf of the bank include:

- (1) Assisting with beef cattle shows at regional fair.
- (2) Assisting with tobacco shows and grading demonstrations.
- (3) Assisting with pure bred beef cattle sales.
- (4) Assisting with locating and purchasing of steers.
- (5) Giving savings bonds for grand champion animals and tobacco exhibits of 4-H Clubs and FFA.
- (6) Conducting several classes in farm finance at University of Maryland.
- (7) Assisting in the promotional work of legislation affecting Southern Maryland economy.
- (8) Assisting with the planning and execution of the farm credit conference of Group IV of the Maryland Bankers Association, and the State Bankers Farm Credit Conference.
- (9) Assisting with agricultural programs of Chamber of Commerce, Lions Club, farm veteran groups, 4-H Clubs, and FFA.
- (10) Cooperating with Soil Conservation, Extension Service, Farm Bureau, and other farm programs in their promotional activities.

(CONTINUED ON NEXT PAGE)

These "Distinguished Farm Bankers" were honored recently in Kansas City by the Spencer Chemical Company. The men were chosen by managing bank officers in six states, and are, *left to right*: John H. Crocker, president, Citizens National Bank, Decatur, Illinois; Don. E. Crouley, vice-president, Northwestern National Bank, Minneapolis; Roy A. Sweet, president, Story County State Bank, Story City, Iowa; Robert N. Downie, president, Fidelity State Bank, Garden City, Kansas; James R. Kenner, president, Thayer County Bank, Hebron, Nebraska; and E. J. Evens, cashier, Citizens Bank, Amsterdam, Missouri



## SERVICE IN FLORIDA

WE  
HAVE  
BEEN  
SERVING  
THE BANKING  
NEEDS  
OF  
JACKSONVILLE  
AND  
FLORIDA  
FOR 77 YEARS

FAST  
DEPENDABLE  
CLEARING FACILITIES



The  
**BARNETT**  
NATIONAL BANK  
OF JACKSONVILLE  
MEMBER FEDERAL DEPOSIT  
INSURANCE CORPORATION  
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range of banking subjects.

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#### BANKING

12 East 36 Street  
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That is why you will find so many leaders in every field have chosen Cockletone Bond to represent them. They've found that the firm, "heavy" feel, the crisp crackle, and the rich, pure white of Cockletone Bond lend dignity and importance even to day-to-day correspondence. Yet its cost is surprisingly low. Why not let us send you a sample book, and the Cockletone Bond portfolio of letterhead designs? Just write on your business letterhead for your free copy. Hammermill Paper Company, 1501 East Lake Road, Erie 6, Pennsylvania.



You can obtain business printing on Hammermill papers wherever you see this shield on a printer's window. Let the Guild sign be your guide to printing satisfaction.

LOOK FOR THE *Cockletone* WATERMARK

(11) Providing souvenirs for farm conferences and banquets.

(12) Acknowledging accomplishments and disappointments of members of customers' families and others within the community.

(13) Taking pictures of outstanding animals, crops, and youth achievements, and sending them to families.

## Soil-Water Conservation

The Georgia Bankers Association recently took cognizance of the increasing use of water not only in Georgia but also in sister states, notably South Carolina and Mississippi, for farming, industrial production, and municipal purposes.

A resolution was adopted instructing the association's officers to participate in a study to be undertaken by the Georgia Association of Soil Conservation District Supervisors and other water-using groups to determine whether the Georgia water supply laws need revision and if so what recommendations should be made to the state's legislature.

## Improvement Loan Ads

"FIL," an elfish character symbolizing farm improvement loans, was featured in a series of newspaper advertisements recently used by the Bank of Montreal.

Headlined "Check List for the Go-Ahead Farmer," the first ad in this series (*see below*) listed 65 loan possibilities for farm improvement under these six general headings: Farm Machines, Equipment, Buildings, Land Improvement, Home Appliances, and Light, Heat, and Water Systems.

Other ads in the series dealt with the different uses to which farm improvement loans can be put.

### Check-list for the Go-Ahead Farmer

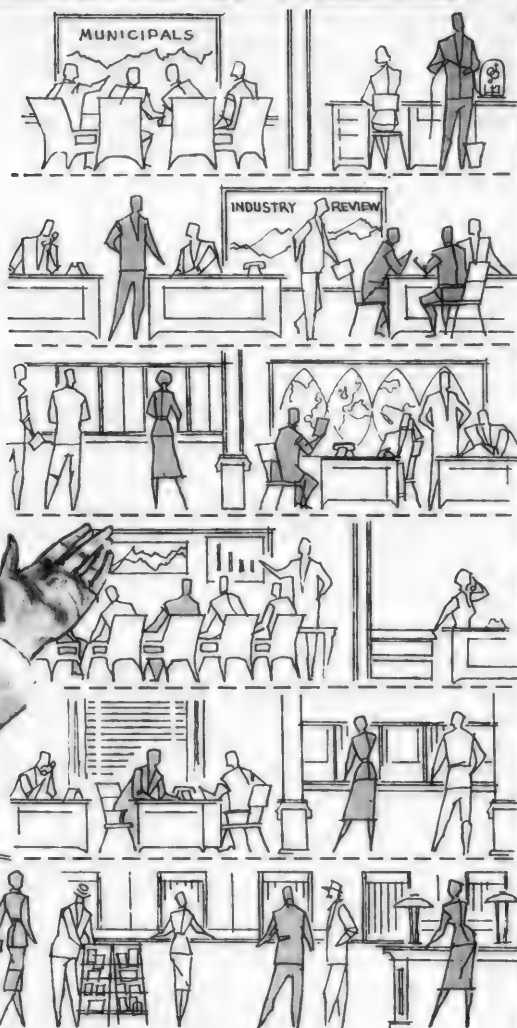


<b>Farm Machines—</b> Binder Churn Combine Cream Separator Calculator Drill Forage Harvester Harrow Hay Baler Incubator Manure Spreader Milking Machine Mobile Granary Mowing Machine Plow Reaper Sander Spraying Apparatus Swather Thrasher Tractor Truck	<b>Repair and Renovation of Farm Buildings—</b> Poultry House Silo Tourist Cabins  <b>Land Improvement—</b> Clearing Ditching Drainage Farm Pond Irrigation Pumping and Lifting Installation Purchase and Planting of Fruit Trees Reclamation and Soil Conservation Sewage Disposal System Tiling Well-sinking
--	---

FIL—the elf—his full name is Farm Improvement Loan. Give him a chance to help.

*Add Six New Floors  
of Service to*

## **YOUR BANK**



As a Northern Trust correspondent, you can offer the complete facilities of The Northern Trust Company to your customers. You can offer a full range of financial assistance, including banking, foreign, trust, and bond services. Advice on day-to-day operations, credit information, assistance

in the management of investment portfolios, and fast wire facilities are just a few of the services you can add to *your* bank—to assist you in providing an even finer service to *your* customers.

Write or call today—we will be pleased to call on you.

# **THE NORTHERN TRUST COMPANY**



TELEPHONE FRANKLIN 2-7070

BOX N, CHICAGO 90

*New York Representative: 15 Broad Street, New York 5*

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

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***Fourth Pension and***  
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Our staff of instructors will include actuaries, bankers and lawyers, specializing in retirement programs and with broad and successful experience in the formulation, sale, installation and management of profit-sharing, pension and thrift plans.

Attendance at this Pension and Profit-Sharing Seminar is limited in number and restricted to representatives of banks and trust companies. For further information please address our Pension and Profit-Sharing Department.

**Kennedy Sinclair, Inc.**

**140 Cedar Street, New York 6, N. Y.**



## Bank Assists Farmers

(CONTINUED FROM PAGE 58)

Extraordinary? Yes, when you consider that Bill defied the experts and pinned his hopes on just 60 acres. They say it can't be done.

I. R. Kirby of Mineral Wells, West Virginia, has spent many years with a local industrial plant. About 10 years ago he started a small farm operation—just large enough to supplement his wages. In 1951 his small farm required so much of his time he found it more profitable to abandon the city job and devote all of his time to his 14 cows. Today they are producing \$4,800 a year and the farm supports them. One of the most important projects on this farm is the family garden and the Kirbys actually live from its bounty. During the past five years we have loaned them \$9,358.34, of which they have repaid over \$8,000. Every loan has supplied some essential part of his plan to build a small but efficient dairy. He has been several years working it out but today he is self-sufficient and independent.

### Success on 70 Acres

Then, there is Willie Dobbins of Coolville, Ohio, who worked eight hours a day, six days a week with a local plant for 20 years—always looking ahead to the day when he would work for himself. But on 70 acres? Could a man support himself and family on a small farm? Piece by piece he has put together a cattle, sheep, and broiler plan of operation which maintains his family in comfort. Today he is too busy on 70 acres to consider outside employment. And there are many others.

We have found that haphazard

Corn, oats, and clover on the Andrick farm at Williamstown, West Virginia



## CONDENSED

# Statement of Condition

AT CLOSE OF BUSINESS JUNE 30, 1954

### DIRECTORS

HERBERT D. IVEY  
*Chairman of the Board*

ROY A. BRITT  
*President*

CARL E. BAKER  
MILO W. BEKINS  
W. J. BOYLE  
WALTER H. BUTLER  
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KENNETH T. NORRIS  
RUDOLPH A. PETERSON  
SAMUEL K. RINDGE  
WILLIAM S. ROSECRANS  
W. A. SIMPSON  
KENNETH B. WILSON

### RESOURCES

Cash and Due from Banks . . . . .	\$ 96,862,381.51
United States Government Securities . . . . .	167,189,586.80
State, County and Municipal Bonds . . . . .	15,688,313.27
Loans and Discounts . . . . .	123,815,800.45
Federal Reserve Bank Stock . . . . .	450,000.00
Stock in Commercial Fireproof Building Co. — Head Office Building . . . . .	348,500.00
Bank Premises, Furniture and Fixtures, and Safe Deposit Vaults (Including Branches) . . . . .	3,846,913.49
Other Real Estate Owned . . . . .	21,281.90
Customers' Liability under Letters of Credit and Acceptances . . . . .	952,378.84
Earned Interest Receivable . . . . .	1,501,356.77
Other Resources . . . . .	245,227.74
<b>TOTAL . . . . .</b>	<b>\$410,921,740.77</b>

### LIABILITIES

Capital Stock . . . . .	\$ 5,000,000.00
Surplus . . . . .	10,000,000.00
Undivided Profits . . . . .	3,569,488.24
<b>Reserves for Interest, Taxes, Contingencies, Etc. . . . .</b>	<b>3,150,418.07</b>
Discount Collected—Unearned . . . . .	1,554,960.75
Letters of Credit and Acceptances . . . . .	965,594.64
Other Liabilities . . . . .	96,170.40
Deposits . . . . .	386,585,108.67
<b>TOTAL . . . . .</b>	<b>\$410,921,740.77</b>

Head Office: Fifth & Spring Streets, Los Angeles

Hill Street Office: 736 So. Hill Street      Subway Terminal Office: 439 So. Hill Street  
34 conveniently located Branches throughout Los Angeles

Our 64th Year

**Citizens National**  
TRUST & SAVINGS  
**Bank**  
OF LOS ANGELES

MEMBER  
FEDERAL RESERVE  
SYSTEM

MEMBER  
FEDERAL DEPOSIT  
INSURANCE  
CORPORATION

Scudder  
Stevens  
& Clark  
Fund, Inc.



ESTABLISHED  
IN 1928

Prospectus on request:

10 Post Office Square  
Boston 9, Massachusetts

One Wall Street  
New York 5, New York

117 South 17th Street  
Philadelphia 3, Pa.

8 So. Michigan Avenue  
Chicago 3, Illinois

## WE MEET THE NEEDS OF YOUR CUSTOMER

What does it cost to get a customer? No one knows because acquisition expense cannot be segregated. What does it cost to hold a customer? Again no figure, because keeping him happy cannot be expressed in dollars. However, the two combined, identified as "sales expense," can be measured and evaluated within reasonable limits.

The one big factor in sales expense that is seldom examined is the cooperative effort of people in the organization who are not assigned to sales work. Almost any employee can help to keep sales expense down by recognizing and fulfilling the needs of the customer, thereby keeping him as a customer. Conversely, almost any employee can increase sales expense and at the same time increase customer mortality by ignoring these needs.

One of the immediate needs of a new bank customer is his initial supply of checks. If he can select

exactly what he wants easily and quickly, and if he can get delivery promptly, and further, if what he gets pleases him, then he most certainly is favorably impressed as he starts his bank relationship. New business men in banks tell us that they attach considerable importance to the handling of these initial orders, and they frequently express their appreciation when we handle them with dispatch.

The easiest way to pick out a check is to refer to our catalog. There the customer will find a wide selection of styles and colors designed to meet almost any need, and in a matter of a few moments he can decide on the exact style of check and binding that is best for him. Over twelve thousand banks use our catalog. New business men carry it with them. It is probably the most complete book in use today, and when you order from it you get fast delivery and uniform quality from our six manufacturing plants.



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lending to these people meets only an emergency. Rather than meet the emergency, we spend whatever time it requires to visit the farm and review the plan in operation. If none exists, then we suggest one adaptable to the circumstances at hand. We admonish the borrower in the beginning that the prime purpose of the small farm is to produce a living—something to eat. Results along this line can be both quick and startling. Farming is a lifetime proposition and it takes years to develop a plan of operation into a successful enterprise. Most of these plans require the careful use of bank credit together with a practical knowledge of farming. These loans are highly profitable and the risk small. We have yet to suffer our first loss. These families are prospective customers for every service a commercial bank has to sell. In going over farm account books, it is surprising to learn so many are inadequate. Usually this is an opportunity to open a new checking account.

### A Ready Market

Farmers are receipt conscious and are quick to realize the distinct advantage in a checking account. Portions of milk checks or other farm receipts can regularly be set aside in a savings account for the future purchase of some much needed implement. In fact every service a bank is able to offer will find a ready market with these farm families.

For several years now we have distributed the national 4-H calendar to some 30 4-H Clubs in the area we serve. During the fall and winter months we make an effort to visit each club in person and here are afforded the opportunity to meet parents and discuss with them farm plans, types of operation, credit, and other services our bank may be called upon to render. Often enough parents have found themselves in our bank as the result of our calendar being brought home by a 4-H son or daughter. Future farmers learn at an early age that the Parkersburg National is interested in them as future customers as well as future farmers.

*Sometimes we think the rest of the world has developed a good sense of touch at the expense of good taste.*

# STATEMENT OF CONDITION

## ANGLO CALIFORNIA NATIONAL BANK



CENTRAL TO THE WEST COAST  
HEAD OFFICE: 1 SANSOME STREET, SAN FRANCISCO

### DIRECTORS

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*Pacific Greyhound Lines*

FRED B. BAIN, *President,*  
*Leslie Salt Co.*

OTHMAR BERRY, *President,*  
*Berry Oil Company*

CLYDE H. BRAND, *Attorney-at-Law,*  
*Downey, Brand, Seymour and Robner*

RICHARD D. BRIGHAM,  
*Vice President*

ALLARD A. CALKINS,  
*Member of the Executive Committee*  
*and Retired Chairman of the Board*

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*Harry Camp Millinery Company*

WM. HERBERT CARR,  
*Vice President and Treasurer,*  
*California Packing Corporation*

HARRY D. COLLIER,  
*Director and former Chairman,*  
*Standard Oil Company of California*

ADRIEN J. FALK, *President,*  
*S&W Fine Foods, Inc.*

FREDERICK M. FISK,  
*Chickering & Gregory, Attorneys*

RAYMOND H. HOLMBERG,  
*Secretary*

PAUL E. HOOVER,  
*President*

ERNEST INGOLD, *President,*  
*Ernest Ingold, Inc.*

OTIS R. JOHNSON, *President,*  
*Union Lumber Company*

PAUL B. KELLY,  
*First Vice President*

JOS. M. MCCARTHY,  
*Retired Vice President*

JOHN J. REILLY, *President,*  
*Western Department Stores*

CHARLES L. WHEELER,  
*Executive Vice President,*  
*Pope & Talbot, Inc.*

HERMAN WOBBER,  
*Twentieth Century-Fox Film Corporation*

### ASSETS

	June 30, 1954	June 30, 1953
<b>CASH AND SECURITIES</b>		
Cash and Due from Banks . . . . .	\$155,371,834.18	\$139,326,177.58
United States Government Securities . . . . .	250,730,474.43	220,606,297.15
State and Municipal Securities . . . . .	51,990,161.31	49,421,513.59
Other Bonds and Securities . . . . .	8,379,708.25	8,768,698.64
<b>TOTAL</b> . . . . .	<b>\$466,472,178.17</b>	<b>\$418,122,686.96</b>
<b>LOANS</b>		
Commercial Loans . . . . .	\$141,882,698.29	\$145,764,578.23
Real Estate Loans . . . . .	95,088,100.52	95,156,282.27
Automobile Installment Loans . . . . .	59,650,357.46	69,338,867.55
Personal and Improvement Loans . . . . .	27,415,300.44	30,099,086.78
	\$324,036,456.71	\$340,358,814.83
Less: Reserve for Possible Loan Losses . . . . .	5,324,246.11	4,653,784.35
<b>TOTAL</b> . . . . .	<b>\$318,712,210.60</b>	<b>\$335,705,030.48</b>
<b>OTHER ASSETS</b>		
Accrued Income Receivable . . . . .	\$ 3,072,650.03	\$ 2,310,386.97
Stock in Federal Reserve Bank . . . . .	1,149,000.00	1,101,000.00
Bank Premises and Equipment . . . . .	8,311,201.68	6,988,364.31
Other Real Estate Owned . . . . .	56,897.44	39,419.97
Customers' Liability under Letters of Credit and Acceptances . . . . .	7,253,770.60	8,492,803.14
Other Assets . . . . .	1,415,208.63	1,164,224.73
<b>TOTAL</b> . . . . .	<b>\$ 21,258,728.38</b>	<b>\$ 20,096,199.12</b>
<b>TOTAL ASSETS</b> . . . . .	<b>\$806,443,117.15</b>	<b>\$773,923,916.56</b>

### LIABILITIES

<b>DEPOSITS</b>		
Demand Deposits . . . . .	\$359,761,075.47	\$340,735,905.78
Time Deposits . . . . .	282,967,466.34	265,023,742.17
United States Government Deposits . . . . .	22,167,049.51	28,621,104.34
Other Public Deposits . . . . .	75,814,184.61	74,741,439.80
<b>TOTAL</b> . . . . .	<b>\$740,709,775.93</b>	<b>\$709,122,192.09</b>
<b>OTHER LIABILITIES</b>		
Dividends Payable . . . . .	\$ 1,000,000.00	\$ 1,000,000.00
Income Collected in Advance . . . . .	5,539,108.76	6,716,335.14
Letters of Credit and Acceptances . . . . .	7,253,770.60	8,492,803.14
Accrued Interest, Taxes, Other Expense . . . . .	4,722,723.60	3,624,514.66
<b>TOTAL</b> . . . . .	<b>\$ 18,515,602.96</b>	<b>\$ 19,833,652.94</b>
<b>CAPITAL ACCOUNTS</b>		
Capital Stock . . . . .	\$ 20,000,000.00	\$ 20,000,000.00
Surplus . . . . .	18,300,000.00	16,700,000.00
Undivided Profits . . . . .	6,632,980.98	6,184,414.81
Unallocated Reserves . . . . .	2,284,757.28	2,083,656.72
<b>TOTAL</b> . . . . .	<b>\$ 47,217,738.26</b>	<b>\$ 44,968,071.53</b>
<b>TOTAL LIABILITIES</b> . . . . .	<b>\$806,443,117.15</b>	<b>\$773,923,916.56</b>

On June 30, 1954, securities carried at \$128,171,392.32 were pledged to secure trust deposits, United States Government and other public deposits, as required by law. On June 30, 1953, securities so pledged amounted to \$135,678,968.49.

Member Federal Reserve System • Member Federal Deposit Insurance Corporation

BAKERSFIELD • BERKELEY • CHICO • FRESNO • HANFORD • HAYWARD • LEMOORE • MERCED • MODESTO • OAKLAND • OILDALE  
PALO ALTO • RED BLUFF • REDDING • SACRAMENTO • SAN FRANCISCO • SAN JOSE • STOCKTON • TAFT • WEST SACRAMENTO

# THE BUILDING SCRAPBOOK

**RIGHT**—Entrance of the Utica Square National Bank of Tulsa, Oklahoma. This building has drive-in facilities and an adjoining parking lot for 150 cars. It has sound conditioning and air conditioning throughout. The architects were McCune and McCune of Tulsa



**LEFT**—Henderson Branch of the Bank of Nevada. It was designed by Bennett & Bennett and built at a cost of \$150,000. It is constructed of reinforced cinder block faced with ceramic tile

**BELOW LEFT**—Lobby of the Fayetteville Street Branch of the Mechanics & Farmers Bank, Durham, N. C., architect for which was R. R. Markley of Durham. The lobby floor is terrazzo, and parts of the walls are curly birch. The building has a drive-in window and off-street parking space. **BELOW RIGHT**—New building of the Crenshaw and 147th Office of California Bank. The building is located in a large, new shopping center. Architect: George V. Novikoff, Los Angeles







**ABOVE LEFT**—Lobby of the Glenwood Branch of The Bank of Erie, Pennsylvania. The tellers' counters shown are African mahogany. The building, constructed of brick with limestone trim, has a roof extension which protects customers using the drive-in. The architects were Meyers, Krider, Werle & Ellenberger of Erie. **ABOVE RIGHT**—Building of the Erie Avenue Office, Trademens Land Title Bank and Trust Company, Philadelphia, by Architect Amedes J. Iannaccari

**RIGHT**—New quarters of the Old Bergen Office of The First National Bank of Jersey City. The exterior is cream-colored stucco with aluminum trim. This building claims its city's first drive-in, and it also has its own parking lot. The building, which is air-conditioned, was designed by William Neumann and Sons of Jersey City



**BELOW LEFT**—Interior of a drive-in teller's booth at the Baltimore National Bank, Baltimore, Md. **BELOW RIGHT**—Office of the president of the Farmers Bank of the State of Delaware, Dover. The architects were Massena and duPont of Wilmington. At the new building's opening, the bank's women stockholders acted as hostesses



## Washington

(CONTINUED FROM PAGE 38)

ing of the need for this legislation, that it would weaken the banking structure, and would be seriously detrimental to the business of Trans-america. He testified in opposition to all three pending bills.

Ellery C. Huntington, Jr., president of the Morris Plan Corp., attacked the motives of the "independents" in proposing such legislation.

Walter E. Burtelow, executive vice-president of the General Contract Corp., St. Louis, declared his institution was "opposed in principle to all of the bills now pending in committee relating to the regulation of bank holding companies" and added he also opposed any form of divestment by holding companies of non-banking assets.

On the other hand, Ben DuBois, secretary of the Independent Bankers Association, asserted that holding companies were a threat to independent banking.

It became apparent that there could not be agreement on legislation this Congress. Senator A. Willis Robertson (D., Va.) announced that he and Senator John W. Bricker (R., O.) would attempt to work out amendments to the "committee print" proposed holding company bill, and offer a new bill for consideration by the committee in 1955.

### Proposed FR Audit Fails

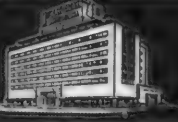
Like the House Banking Committee, the House Government Operations Committee became cool to the proposition that Congress by law require the General Accounting Office to audit the Federal Reserve Board and Federal Reserve banks annually.

Such a proposal was taken up for a one-day hearing in June before the Government Operations Committee when the Banking Committee could not be interested in the proposition by its author, Rep. Wright Patman (D., Tex.).

Members of the committee asserted that in their opinion they would give this idea no further attention.

In the course of the hearing Chairman William McC. Martin of the Board offered to send up to the Hill the audit reports of the Reserve Board for the last five years.

(CONTINUED ON PAGE 118)



**STATEMENT OF CONDITION AS AT THE  
CLOSE OF BUSINESS JUNE 30, 1954**

**RESOURCES**

Cash and Due from Banks.....	\$ 30,561,793.00
U. S. Government Securities.....	42,629,730.85
State, County and Municipal Securities.....	9,856,724.40
Other Securities.....	1,723,646.02
Federal Reserve Bank Stock.....	288,000.00
Loans Guaranteed or Insured by the U. S. Government or its Agencies.....	15,169,573.08
Other Loans and Discounts.....	45,974,538.12
Interest Accrued Receivable.....	599,904.28
Bank Premises and Equipment.....	2,112,514.96
Investments Indirectly Representing Bank Premises.....	975,000.00
Other Resources.....	180,906.91
<b>TOTAL RESOURCES.....</b>	<b>\$150,072,331.62</b>

**LIABILITIES**

Deposits:	
Demand.....	\$104,460,398.86
Time.....	33,123,054.15
	\$137,583,453.01
Reserves—Taxes and Interest.....	612,284.26
Unearned Discount.....	814,515.14
Other Liabilities.....	80,218.39
Capital Stock.....	\$ 4,800,000.00
Surplus.....	4,800,000.00
Undivided Profits.....	1,381,860.82
	10,981,860.82
<b>TOTAL LIABILITIES.....</b>	<b>\$150,072,331.62</b>

Member Federal Deposit Insurance Corporation

**FIRST NATIONAL BANK of ARIZONA**

HEAD OFFICE PHOENIX

BRANCHES IN MOST BUSINESS CENTERS

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

**MIT**

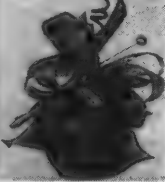
**Massachusetts  
Investors  
Trust**

**DECLARES ITS  
119th Consecutive Dividend**

The Trustees have declared a quarterly dividend of 23 cents a share, payable July 26, 1954 to shareholders of record at the close of business June 30, 1954. This dividend is entirely paid out of dividends and interest received by the Trust on its investments.



ROBERT W. LADD, Secretary  
200 Berkeley Street, Boston



**GIVE EXOTIC  
HAWAIIAN  
WOODROSES**

Increase your savings accounts by giving an exquisite Hawaiian Woodrose Corsage with each new savings account opened! The Woodrose is a very real flower preserved by Nature to last forever. It looks and feels like a hand carved rose rubbed to a satiny smooth finish... and is prized by women because of its natural charm and allure. Its color varies from soft beige to rich dark brown. The Hawaiian Woodrose is very inexpensive, too.

**FOR: new accounts - anniversaries - special events - or just to say "Thank You".**

Write today for full details and price list.

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**Do Your Directors  
Read BANKING?**

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**EDWIN J. BEINECKE**  
*Chairman, The Sperry & Hutchinson Co.*

**CLINTON R. BLACK, JR.**  
*President, C. R. Black, Jr. Corporation*

**EDGAR S. BLOOM**  
*Director, New York and Cuba Mail Steamship Company*

**ALVIN G. BRUSH**  
*Chairman, American Home Products Corporation*

**LOU R. CRANDALL**  
*President, George A. Fuller Company*

**CHARLES A. DANA**  
*Chairman, Dana Corporation*

**HORACE C. FLANIGAN**  
*President*

**JOHN M. FRANKLIN**  
*President, United States Lines Company*

**JOHN GEMMELL, JR.**  
*Clyde Estates*

**PAOLINO GERLI**  
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**KENNETH F. MACLELLAN**  
*President, United Biscuit Company of America*

**JOHN T. MADDEN**  
*President, Emigrant Industrial Savings Bank*

**JOHN P. MAGUIRE**  
*President, John P. Maguire & Co., Inc.*

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*Vice Chairman, Triborough Bridge and Tunnel Authority*

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**HAROLD C. RICHARD**  
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**HAROLD V. SMITH**  
*Chairman, Home Insurance Co.*

**L. A. VAN BOMEL**  
*Chairman, National Dairy Products Corporation*

**HENRY C. VON ELM**  
*Honorary Chairman*

**GEORGE G. WALKER**  
*President, Electric Bond and Share Co.*

# MANUFACTURERS TRUST COMPANY

## Condensed Statement of Condition June 30, 1954

### RESOURCES

Cash and Due from Banks . . . .	\$ 863,752,462.54
U. S. Government Securities . . . .	906,679,448.08
U. S. Government Insured F. H. A. Mortgages . . . . .	86,223,753.54
State, Municipal and Public Securities	160,836,564.12
Stock of Federal Reserve Bank . . .	4,511,700.00
Other Securities . . . . .	36,756,074.42
Loans, Bills Purchased and Bankers' Acceptances . . . . .	862,093,127.52
Mortgages . . . . .	12,239,482.92
Banking Houses . . . . .	15,826,676.21
Customers' Liability for Acceptances	14,045,352.75
Accrued Interest and Other Resources	9,144,785.17
	<u>\$2,972,109,427.27</u>

### LIABILITIES

Capital . . . . .	\$ 50,390,000.00
Surplus . . . . .	100,000,000.00
Undivided Profits . . . . .	33,953,852.39
	<u>\$ 184,343,852.39</u>
Reserves for Taxes, Unearned Discount, Interest, etc. .	17,837,216.01
Dividend Payable July 15, 1954 . .	1,889,625.00
Outstanding Acceptances . . . . .	14,257,577.02
Liability as Endorser on Acceptances and Foreign Bills . . . . .	10,544,234.52
Other Liabilities . . . . .	2,658,206.50
Deposits . . . . .	2,740,578,715.83
	<u>\$2,972,109,427.27</u>

*United States Government and Other Securities carried at \$144,591,975.50 are pledged to secure public funds and trust deposits and for other purposes as required or permitted by law.*

Head Office: 55 Broad Street, New York City  
**MORE THAN 100 OFFICES IN GREATER NEW YORK**  
Member Federal Deposit Insurance Corporation

**REDUCE Fatigue  
INCREASE Efficiency**

**WITH  
Foot Comfort  
RUNNERS and MATS**



**HERE'S THE SECRET**

Note the cutaway section above showing construction of the Hygienic FOOT COMFORT CUSHION. A tough rubber tile surface bonded to a sponge rubber base provides proper support without being "mushy." Thus, fatigue induced by standing on hard floors is eliminated — with a resulting increase in the user's efficiency.

Wherever people must work standing — at tellers' cages, counters, machines — FOOT COMFORT CUSHIONS pay for themselves by increasing the efficiency of personnel. Edges beveled for safety and appearance. Eight marbled color combinations.

**MATS:** 18 x 30", 18 x 48", 24 x 36", 36 x 64"  
**RUNNERS:** TO 36" width, any length.

See your BANK OUTFITTER or OFFICE SUPPLY DEALER, or write: FLOORING DIV., Dept. E-8 for prices and literature.

**THE HYGIENIC DENTAL MFG. CO.**  
AKRON 8, OHIO, U. S. A.

Read  
**"BANKING'S Effective Letter Writing"**

64 Pages  
Pocket Size (4 1/2" x 5 3/4")  
7 Chapters

**ONLY 50¢ A COPY**  
in quantities up to 9

40¢ a Copy  
in lots of 10 to 99

35¢ a Copy  
for 100 or more

Send your order to

**BANKING**

12 East 36th Street — New York 16, N. Y.

(CONTINUED FROM PAGE 116)

This was done. The reports were sent to the House Banking Committee, for the confidential inspection only of the members of Congress. Mr. Patman and one or two other members looked over some of the audit reports, as did members of the staff of the committee, and this appeared to end for this year the agitation for the GAO audit except, possibly, for Rep. Patman.

The Federal Reserve System, of course, is already audited. The Board is audited by a firm of outside accountants, and the banks are audited by the Board.

### Localize SBA Lending

Regional directors of the Small Business Administration, of which there are 14, from now on may approve on their own authority and without referral to Washington, participation loans where the total amount of credit to be extended to an individual does not exceed \$50,000.

There is a condition to local approval of a participation loan, however. The bank or other private participant must be in on the loan to at least a 25% share, and not less than half of that 25% share must consist of new money.

Through the fiscal year 1954, SBA had approved loans aggregating \$28,664,762. Of this, \$9,032,660 consisted of 165 direct loans of Government money, and 322 were participation loans in the aggregate of \$19,632,102.

### Within Deficit Estimate

Preliminary figures, issued on the basis of the cash budget for the fiscal year which closed June 30, indicated that the Government had kept well within the Eisenhower Administration January estimate of a deficit not to exceed \$3.3-billion.

These figures indicated that the total Federal debt had increased from \$266.1-billion a year ago to \$271.3-billion on June 30, 1954, a rise of \$5.2-billion. During the same period, however, the cash balance rose from \$4.7-billion to \$6.8-billion, or by \$2.1-billion. Subtracting this cash rise from the increase in the total Federal debt gives a figure of \$3.1-billion; the approximate deficit for the fiscal year 1954.

While more or less "hitting it on the nose" on the deficit estimate, the Administration, on the other



"It's a date, then, Madge. I'll meet you in front of the withdrawal window at the bank!"

hand, over-estimated both receipts and expenditures.

It would appear, on the basis of these preliminary figures, that expenditures amounted for the fiscal year 1954 to about \$68-billion, perhaps \$3-billion at most under the January estimate. Actual budget receipts appeared, on the basis of the Treasury figures, to be about \$65-billion, something around \$2.5-billion short of the estimate.

### TAC Issued

In order to raise part of its cash needs for the final half of this calendar year, the Treasury issued a 1% tax anticipation certificate to mature March 22, 1955, in the amount of \$3.5-billion.

Holders of maturing August and September certificates were given the option of a new 1-year certificate or the longer maturity.

### Declines Below '53

At around \$68-billion, Federal spending dropped by \$6-billion below actual budget expenditures for the previous fiscal year, the high of the post-Korean era, when actual spending achieved \$74-billion.

As compared with Mr. Truman's projected budget for fiscal 1954 or \$77.9-billion, this represents a decline in spending of almost \$10-billion under the former President's goal.

On the other hand, budget expenditures of \$68-billion for the fiscal year 1954 compare with:

(CONTINUED ON PAGE 120)



# Society for Savings

IN THE CITY OF CLEVELAND

Founded 1849

## TRUSTEES

**Warren Bicknell, Jr.**  
President, The Cleveland Construction Company

**Robert F. Black**  
President, The White Motor Company

**Charles B. Bolton**  
President, Payne-Bingham Company

**Harold T. Clark**  
Attorney

**Frank M. Cobb**  
Director,  
The Cleveland Electric Illuminating Company

**T. J. Conway**  
President, The Fisher Brothers Company

**Thomas Coughlin**  
Director, The Murray Ohio Manufacturing Company

**Frederick C. Crawford**  
Chairman of the Board, Thompson Products, Inc.

**Ernest C. Dempsey**  
Attorney, Squire, Sanders & Dempsey

**Randolph Eide**  
Director,  
The Ohio Bell Telephone Company

**Mervin B. France**  
President

**Frank C. Lewman**  
Chairman of the Board,  
The Richman Brothers Company

**James L. Myers**  
Chairman of the Board and President,  
Clevite Corporation

**Laurence H. Norton**  
Director, The Columbia Transportation Company

**Drake T. Perry**  
Secretary, The Harshaw Chemical Company

**Ralph S. Schmitt**  
Vice President and Secretary,  
The Cleveland Twist Drill Company

**Henry S. Sherman**  
Chairman of the Board

**Clarence M. Taylor**  
Executive Director, The Cleveland Clinic Foundation

**Herman L. Vail**  
Attorney, Sayre, Vail & Steele

**John S. Wilbur**  
Vice President, The Cleveland-Cliffs Iron Company

**Arthur P. Williamson**  
President, The Dill Manufacturing Company

## STATEMENT OF CONDITION

June 30, 1954

### RESOURCES

Cash on Hand and Due from Banks . . . . .	\$ 28,744,114.81
United States Government Obligations. . . . .	104,955,289.61
(Including \$17,900,000.00 as Lawful Reserve)	
Other Investments . . . . .	27,065,752.79
First Mortgage Loans on Real Estate . . . . .	124,052,978.97
Other Loans and Discounts. . . . .	66,284,031.14
Bank Premises . . . . .	1,724,095.01
Interest Accrued and Other Assets. . . . .	2,275,749.97
Total . . . . .	\$ 355,102,012.30

### LIABILITIES

Surplus. . . . .	\$ 20,000,000.00
Reserve for Contingencies . . . . .	812,791.07
Reserve for Taxes and Expenses . . . . .	878,052.79
Savings Deposits . . . . .	293,400,496.87
Other Deposits . . . . .	32,336,953.25
Deferred Credits and Other Liabilities . . . . .	7,673,718.32
Total . . . . .	\$ 355,102,012.30

United States Government Obligations carried at \$14,845,000.00 are pledged to secure Public Deposits as required or permitted by law.

NOW AT 9 CONVENIENT LOCATIONS  
THROUGHOUT GREATER CLEVELAND

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



# COLOMBIA MEANS BUSINESS

LET US HELP YOU INCREASE YOURS

**O**PPORTUNITIES in Colombia for U. S. business are increasing every year. Trade connections are becoming more profitable. With an eye on your business future there, why not let us assist you with your collections and letters of credit?

For instance in making collections, we have an outstanding record of combining efficiency with tact, courtesy with results—a proven faculty for settling unpaid accounts quickly and retaining good-will.

As for letters of credit, consider the convenience of our 29 offices located in every important commercial centre in Colombia. This exceptional coverage is a great advantage too in furnishing current and comprehensive trade information.

In fact whatever your requirements, we have special departments handling every phase and facility of banking. More and more progressive U. S. banks and business firms are making use of our extensive organization established for over 40 years.

*We invite your inquiries.*

## BANCO COMERCIAL ANTIOQUEÑO

Established 1912

Cable address for all offices — *Bancoquia*

Capital paid-up	\$20,675,000 — Pesos Colombian.
Surplus:	\$17,500,000 — Pesos Colombian.
Other reserves:	\$3,972,000 — Pesos Colombian.

General Manager: Antonio Derka

Head Office: MEDELLIN, COLOMBIA, SOUTH AMERICA

BRANCHES: Armenia (C), Barrancabermeja, Barranquilla (2), BOGOTA (3), Bucaramanga, Cali (2), Cartagena, Cartago, Cúcuta, Girardot, Itagué, Magangué, Manizales, Medellín (1), Montería, Neiva, Palmira, Pasto, Pereira, Puerto Berrio, San Gil, Santa Marta, Sincelejo, Socorro, Vélez (3).

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TO 2 MILLION CANADIANS



**CANADA'S FIRST BANK**  
*Coast-to-Coast*

**BANK OF MONTREAL**

New York - 64 Wall Street    San Francisco - 333 California Street  
Chicago: Special Representative's Office, 141 West Jackson Blvd.

600 Branches Across Canada • Resources Exceed \$2,300,000,000

(CONTINUED FROM PAGE 118)

\$65.4-billion for 1952, or were \$2.6-billion higher.

\$44-billion for fiscal 1951, or \$24-billion higher.

\$39.6-billion for fiscal '50, or \$28.4-billion higher.

### Further Cuts Due

In his January budget estimates for 1955 or the new fiscal year, the President estimated that spending would amount to \$65.6-billion, revenues \$62.7-billion, and the budget deficit, \$2.9-billion.

Such a spending estimate is a modest \$1-to-\$2-billion below the current year performance. Fiscal observers are inclined to go along with the President's figure as a probability. They point out that after two years of continuous pressure for economy, the opportunity for pruning the costs of Federal operations is considerably restricted.

Especially, these observers see no hope of such large future cuts in projected spending as the \$10-billion made in former President Truman's estimate for fiscal 1954 and the performance of \$6-billion less in one year.

### Congress Cuts New Allowances Modestly

Congress this year appropriated \$42,668,000,000 for the fiscal year 1955, a sum \$1,540,000,000 less than the appropriations recommended by the President. The greatest single object of reduced appropriations was defense. This accounted for \$1,086,000,000 of the curtailed allowances.

This reduction in Congressional allowances is much smaller than it has been in recent years, it was explained by Chairman Taber (R., N. Y.) of the House Appropriations committee, "because of the closer budget that has been submitted by the Bureau of the Budget."

There are two factors which militate against too grand a hope for the Treasury for the current or new fiscal year. When the revenue estimate of \$62.7-billion was made up for this year, it did not contemplate subsequent legislation curtailing \$1-billion of income by lowering excises.

Second, the President has backed certain long-range sociological programs which eventually will increase Federal responsibilities and

(CONTINUED ON PAGE 122)

# HARRIS Trust and Savings BANK



Organized as N. W. Harris & Co. 1892—Incorporated 1907

115 W. MONROE STREET, CHICAGO 90

## STATEMENT OF CONDITION

June 30, 1954

### RESOURCES

Cash on Hand and Due from Banks..	\$188,367,759.39
U. S. Government Securities.....	202,035,158.68
State and Municipal Securities.....	68,520,944.50
Other Bonds and Securities.....	2,547,773.45
Loans and Discounts.....	249,674,858.54
Federal Reserve Bank Stock.....	900,000.00
Customers' Liability on Acceptances.	353,415.03
Accrued Interest and Other Resources	3,519,473.37
Bank Premises.....	2,375,000.00
<b>TOTAL.....</b>	<b>\$718,294,382.96</b>

### LIABILITIES

Demand Deposits.....\$	576,618,406.20
Time Deposits.....	88,865,870.64
<b>Total Deposits.....</b>	<b>\$665,484,276.84</b>
Dividend Payable July 1, 1954.....	360,000.00
Acceptances.....	353,415.03
Reserves for Taxes, Interest, etc.....	6,378,956.58
General Contingency Reserve.....	8,361,467.90
Capital.....\$	12,000,000.00
Surplus.....	18,000,000.00
Undivided Profits.....	7,356,266.61
<b>Total Capital Funds.....</b>	<b>37,356,266.61</b>
<b>TOTAL.....</b>	<b>\$718,294,382.96</b>

United States Government Obligations and Other Securities carried at \$89,764,062 are pledged to secure Public and Trust Deposits and for other purposes as required or permitted by law.



### DIRECTORS

EDWIN C. AUSTIN  
Sidley, Austin,  
Burgess & Smith

JAMES M. BARKER  
Chairman of Board  
Allstate Insurance Company

MARK A. BROWN  
President

WESLEY M. DIXON  
President  
Container Corporation  
of America

DAVID GRAHAM  
Financial Vice-President  
Standard Oil Co. (Indiana)

FRED G. GURLEY  
President, Atchison, Topeka &  
Santa Fe Railway Company

NORMAN W. HARRIS  
Room 2001, Harris Trust Bldg.

STANLEY G. HARRIS  
Chairman, Executive Committee

CHARLES C. JARCHOW  
President  
American Steel Foundries

WAYNE A. JOHNSTON  
President  
Illinois Central Railroad

WILLIAM V. KAHLER  
President  
Illinois Bell Telephone Co.

JOHN L. McCAFFREY  
President  
International Harvester Co.

F. B. McCONNELL  
President  
Sears, Roebuck & Company

JAMES L. PALMER  
President  
Marshall Field & Company

CHARLES H. PERCY  
President  
Bell & Howell Company

RICHARD E. PRITCHARD  
Room 1824  
Harris Trust Building

GUY E. REED  
Executive Vice-President

JOHN G. SEARLE  
President  
G. D. Searle & Co.

HAROLD H. SWIFT  
Chairman of Board  
Swift & Company

STUART J. TEMPLETON  
Wilson & McIlwaine

KENNETH V. ZWIENER  
Vice-President

Member Federal Reserve System . . . Member Federal Deposit Insurance Corporation

*These Debentures have not been and are not being offered to the public.  
This announcement appears as a matter of record only.*

NEW ISSUE

June 30, 1954

\$5,000,000

## First Trust & Deposit Company (Syracuse, N.Y.)

Subordinated Debentures Due June 1, 1974  
(with Warrants for the purchase of 85,000 shares of Common Stock)

*Direct placement of these Debentures was  
negotiated by the undersigned.*

### The First Boston Corporation

NEW YORK      BOSTON      PITTSBURGH      CHICAGO  
PHILADELPHIA      CLEVELAND      SAN FRANCISCO



## Australia

### from a business point of view

*This booklet will assist anyone  
contemplating establishing a  
business in Australia, whether it  
is a small retail business or a  
large manufacturing company.*

Written with the authority of Australia's oldest and largest joint-stock bank, it offers those who wish to start a new enterprise in that young but growing country a short account of the framework of business organization throughout the Commonwealth of Australia. It also affords some knowledge of the problems and conditions which would be met.

If you have customers interested in establishing a business in Australia, you may obtain free copies of this book from:

## BANK OF NEW SOUTH WALES

BRITISH & FOREIGN DEPARTMENT, SYDNEY, AUSTRALIA  
R. J. Neal Blackwell, Manager



"Well, thanks anyway. And I hope that your laryngitis gets worse."

(CONTINUED FROM PAGE 120)

raise Federal spending, such as supplementary health insurance, increased undertakings for hospitals; and his sentiments are in favor of ultimate assistance by the Federal Government in local school construction.

As a general rule, however, these and other sociological or "forward-looking" programs will not show up materially in the budget for the next year or so, and some are not being enacted by Congress.

### Social Security Costs Rising

In the Treasury's fiscal yearend statistics of the cash budget, it is noted that Social Security is becoming an ever-rising part of Federal money operations.

For instance, during the fiscal year 1953 the Treasury paid out \$2,692,000,000 for OASI. This sum has risen to \$3,338,000,000 in fiscal 1954.

In '53 the Government collected in Social Security taxes, \$4,086,000,000, a figure which rose to \$4,537,000,000 in the last fiscal year.

At the same time the margin of trust fund receipts over disbursements for old age security dropped from \$2,394,000,000 in fiscal '53 to \$1,119,000,000 in fiscal '54.

### '54 Is Noninflationary

In setting up the cash results of the Government's operations for the 12 months ending June 30, the Treasury showed that in the net the Gov-

(CONTINUED ON PAGE 124)

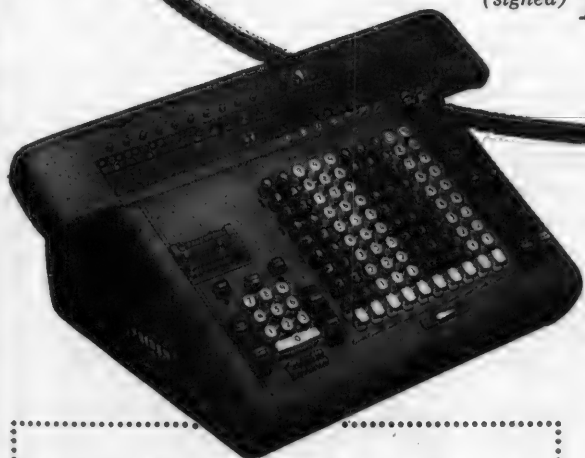


WRITES SMITH COUNTY BANK OF CARTHAGE, TENNESSEE—

"Uneven interest periods,  
odd amounts, unusual discount rates—  
all are short work for the Friden.

"From the beginning, despite lack  
of operator familiarity, your calculator  
cut our time required for interest  
computations to less than one third."

(signed) *Russell H. Pitchford*  
Cashier



Automatic figuring ability of the Friden Calculator is  
"like money in the bank" to any size bank because...

- The Friden performs more steps in figure-  
work *without operator decisions* than any  
other calculating machine ever developed

"BANKS . . . must invest equipment dollars carefully  
to obtain maximum return, and for only a few cents  
a day we have the finest in calculators with the Friden,"  
Mr. Pitchford writes.

"New uses accrue to us almost daily. The fully auto-  
matic Friden Calculator figures investment yields,  
amortization, premiums and our payrolls. We have also  
applied it to computations of interest on Certificates  
of Deposits, and in our Savings Department, and it has  
proven a valuable aid in General Accounting.

"Many of the bank's customers have seen our Friden  
in action, and we feel we have benefited from customer  
appreciation that we have the best in mechanical  
equipment here for their convenience."

See the Friden now...see why automatic figuring the Friden  
way is your best answer to high clerical costs, employee  
turnover, inaccuracies. Call in your nearby Friden Man!  
Friden builds calculators in a wide price range, in every  
size, for every figuring need...Friden sales, instruction and  
service throughout the U.S. and the world.

Let the **Friden** THE THINKING MACHINE OF AMERICAN BUSINESS  
Calculator do your bank figure-thinking

(CONTINUED FROM PAGE 122)

ernment was a negligible inflationary force during that year.

Cash receipts of all kinds amounted to \$71,781,000,000, and expenditures \$71,933,000,000 during that year, or a cash deficit of \$152,000,000. This compares with a cash deficit of \$5,062,000,000, the last full fiscal year of the previous Administration.

On the other hand, the Treasury was on the average a far less deflationary influence from the cash viewpoint than it was during most of the postwar years, taking fiscal

1947 as the first year not heavily distorted by World War II's fiscal aftermath. The cash surplus for fiscal 1947 was \$6,659,000,000; for '48 it was \$8,903,000,000; '49, \$1,051,000,000; '51, \$7,635,000,000; and fiscal 1952, \$137,000,000. In fiscal 1950 there was a cash deficit of \$2,185,000,000.

### Creates New Treasury Posts

Purpose of the legislation creating two new Treasury posts was to provide official emphasis for the debt-management function of the Treasury, and to create a new As-

sistant Secretaryship for the liquidation of RFC and the handling of certain miscellaneous Treasury lending facilities.

As of June 30 the supervision over the liquidation of the Reconstruction Finance Corporation passed, under the RFC liquidation law, to the Secretary of the Treasury. Laurence B. Robbins, former Administrator of the RFC, was brought to the Treasury to handle this work on behalf of the Secretary, as well as certain Defense Production Act loan responsibilities, which Mr. Robbins had previously undertaken under the direction of the Secretary, in his dual capacity as an Assistant to the Secretary. Mr. Robbins handles both jobs as an Assistant Secretary of the Treasury.

Dr. W. Randolph Burgess, the distinguished monetary specialist and former director and vice-president of the Federal Reserve Bank of New York, has been principally concerned with debt management and the Treasury phase of monetary affairs as Deputy to the Secretary of the Treasury.

This post as Deputy, however, was not a statutory office. By creating an Under Secretaryship for Monetary Affairs, Congress provided a statutory post for this responsibility. It also recognized that the collection of money under supervision of the Under Secretary and debt management and monetary affairs were co-equal responsibilities under the Secretary, by giving the jobs equal rank in the Treasury.

### Independent Eximbank Status Restored

Just prior to the end of the 1953 session of Congress, the President, by an Executive Order, placed the Export-Import bank under the administration of a Managing Director, and deprived it of its independent status.

Congress was in the midst of passing, at writing, a bill whose effect is to undo this Executive Order. It creates a Board to govern the bank, and makes the president of the bank again a member of the National Monetary Council, which coordinates foreign financial operations with the foreign policy of the Federal Government.

As an independent agency the Export-Import bank would be more free to perform its statutory func-

(CONTINUED ON PAGE 126)



### CONDENSED STATEMENT OF CONDITION, JUNE 30, 1954

ASSETS	
Cash on Hand and in Banks . . . . .	\$ 232,217,668.53
United States Government Securities . . . . .	453,137,994.98
State, Municipal and Other Securities, including Stock of the Federal Reserve Bank . . . . .	132,924,409.92
Loans and Discounts . . . . .	507,112,052.71
Bank Premises . . . . .	3,147,977.51
Other Real Estate . . . . .	1.00
Other Assets . . . . .	5,832,250.32
	<b>\$1,334,372,354.97</b>

LIABILITIES	
Capital Stock . . . . .	\$ 17,500,000.00
Surplus . . . . .	50,000,000.00
Undivided Profits . . . . .	11,229,139.38
	<b>Capital Funds \$ 78,729,139.38</b>

DEPOSITS	
Commercial and Savings . . . . .	\$1,208,161,222.21
Estates and Corporate Trust . . . . .	34,884,292.91
	<b>1,243,045,515.12</b>
Accrued Taxes, Interest, etc. . . . .	9,082,475.46
Other Liabilities . . . . .	3,515,225.01
	<b>\$1,334,372,354.97</b>

United States Government Securities carried at \$104,361,855.30 are pledged to secure U. S. Government Deposits and other Public Funds and for other purposes as required or permitted by law.

Assets are shown NET after deducting Valuation Reserves.

Ohio's Largest Bank  
welcomes individuals and corporations  
seeking new or additional banking services.

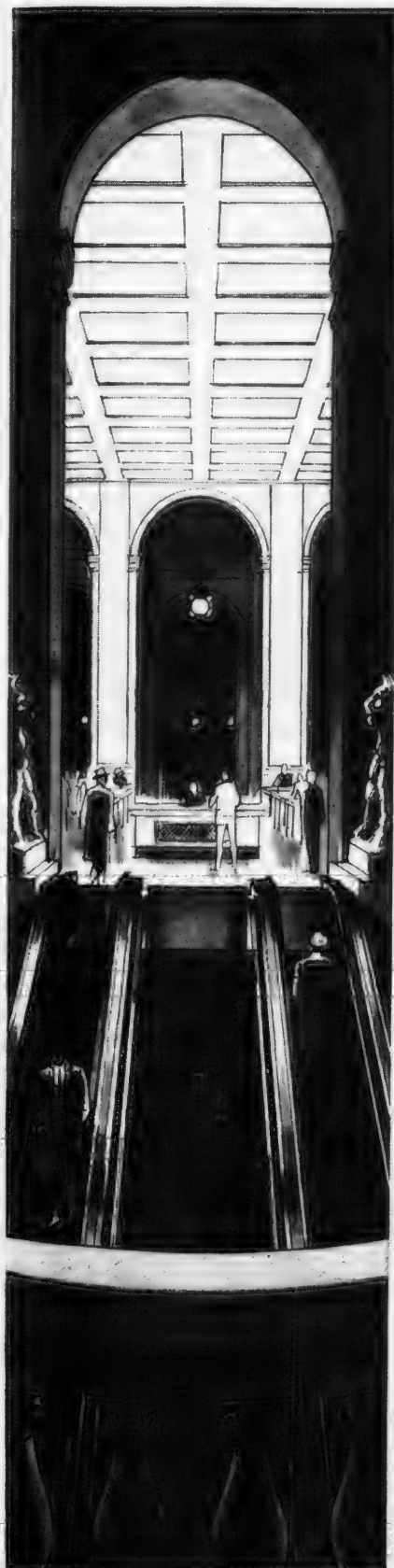
**61 CONVENIENT OFFICES**  
Northern Ohio:  
Painesville • Willoughby • Bedford • Solon  
Lorain and  
Everywhere in Greater Cleveland  
**COMMERCIAL • SAVINGS • TRUSTS**

Largest branch banking system between New York and California

**734,246 SAVINGS AND CHECKING DEPOSITORS**

Member: Federal Deposit Insurance Corporation

Federal Reserve System



# The First National Bank of Chicago

## Statement of Condition June 30, 1954

ASSETS	
Cash and Due from Banks . . . . .	\$ 613,269,291.99
United States Government Obligations . . . . .	795,010,350.81
Other Bonds and Securities . . . . .	118,027,712.16
Loans and Discounts . . . . .	1,202,648,686.61
Real Estate (Bank Buildings and Adjacent Property) . . . . .	1,814,286.15
Federal Reserve Bank Stock . . . . .	5,850,000.00
Customers' Liability Account of Acceptances . . . . .	2,164,745.67
Interest Earned, not Collected . . . . .	8,514,532.65
Other Assets . . . . .	1,441,781.17
	<u>\$2,748,741,387.21</u>
LIABILITIES	
Capital Stock . . . . .	90,000,000.00
Surplus . . . . .	105,000,000.00
Other Undivided Profits . . . . .	4,515,722.42
Discount Collected, but not Earned . . . . .	2,185,922.33
Dividends Declared, but Unpaid . . . . .	1,800,000.00
Reserve for Taxes, etc. . . . .	27,620,635.06
Liability Account of Acceptances . . . . .	2,256,580.17
Time Deposits . . . . .	\$ 538,229,455.47
Demand Deposits . . . . .	1,728,297,109.19
Deposits of Public Funds . . . . .	248,835,962.57
	<u>2,515,362,527.23</u>
	<u>\$2,748,741,387.21</u>

United States Government obligations carried at \$311,031,281.45 are pledged to secure United States Government and other public deposits, trust deposits, and for other purposes as required or permitted by law.

### Board of Directors

<b>EDWARD E. BROWN</b> Chairman of the Board	<b>HUGHSTON M. MCBAIN</b> Chairman of the Board, Marshall Field & Company	<b>R. DOUGLAS STUART</b> Director, Quaker Oats Company
<b>J. D. FARRINGTON</b> President, Chicago, Rock Island and Pacific Railroad Company	<b>BENTLEY G. MCCLOUD</b> Banker	<b>LOUIS WARE</b> President, International Minerals & Chemical Corp.
<b>JAMES B. FORGAN</b> Vice-Chairman of the Board	<b>HARRY C. MURPHY</b> President, Chicago, Burlington & Quincy Railroad Company	<b>C. J. WHIPPLE</b> Chairman of the Board Hibbard, Spencer, Bartlett & Co.
<b>WALTER M. HEYMANN</b> Executive Vice-President	<b>LOUIS B. NEUMILLER</b> Chairman, Caterpillar Tractor Co.	<b>JOHN P. WILSON</b> Wilson & McIlvaine
<b>HENRY P. ISHAM</b> President, Clearing In- dustrial District, Inc.	<b>JAMES F. OATES, JR.</b> Chairman, The Peoples Gas Light and Coke Co.	<b>ROBERT E. WILSON</b> Chairman of the Board, Standard Oil Company (Indiana)
<b>JAMES S. KNOWLSON</b> Chairman of the Board and President, Stewart-Warner Corp.	<b>CLARENCE B. RANDALL</b> Chairman, Inland Steel Company	<b>ROBERT E. WOOD</b> Chairman, Finance Committee, Sears, Roebuck and Co.
<b>HOMER J. LIVINGSTON</b> President	<b>GILBERT H. SCRIBNER</b> Winston & Company	

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

**Building with Chicago  
since 1863**

**The First National Bank  
of Chicago**



(CONTINUED FROM PAGE 124)

tion of financing exports and imports, than as an agency, in effect, closely under the thumb of an Administration sometimes economy minded—or at least that was the thinking of the key members of Congress who "lobbied" the bill through to the White House and got the blessing of the President and the Treasury.

This bill also gave the bank another \$500,000,000 of lending power. Chairman Homer Capehart (R.,

Ind.) of the Senate Banking Committee, and chief sponsor of the bill, found that in the tour of Latin America last fall the thing which impressed him and his colleagues was the absence of Government-backed credits for Americans doing business in that region. Competitors of the U. S., on the other hand, seemed to have the financial backing of their governments.

#### Conferees Agree on Housing

Conferees had agreed upon the terms of a broad housing bill at the

time BANKING was going to press.

In general they cut out many of the provisions striking at lenders and builders—provisions which it was alleged would make the legislation unworkable.


As to Title I, present law was tightened up. The maximum amount was retained at \$2,500 and the term three years, instead of \$3,000 and five years, as the White House proposed. Title I loans were limited to objectives which substantially protect or improve the liveability of a house.

Conferees in general denied the President the broad liberalizations he requested in loans under FHA, but did, nevertheless, liberalize Government-sponsored mortgage credit considerably. They mainly declined to give the President discretionary powers to liberalize or tighten Government-sponsored mortgage credit. In particular they denied him power to adjust interest rates up and down.

The open-end mortgage was retained, but the amount is to be limited to the original principal amount of the mortgage except when the enclosed area of the house would be expanded.

Provisions for a "private Federal National Mortgage Association" appeared in the final version of the housing bill, as did also provisions authorizing the President to use Government funds through FNMA to buy classes of mortgages he designates.

The public housing program was curbed. It was limited to one year of 35,000 units, and not a four-year program of 35,000 units per year as the President requested. [END]



THE LINCOLN MEMORIAL

## A CAPITAL IDEA

Let American Security handle your  
CORRESPONDENT NEEDS  
in the Nation's Capital

*American Security*  
& TRUST COMPANY

15th St. & Pennsylvania Ave., N. W., Washington, D. C.  
Daniel W. Bell, President

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION MEMBER FEDERAL RESERVE SYSTEM

## A Message about PROFIT to Officers of Instalment Loan Departments

You can serve your customers completely and earn more profit by writing all your insurance with Central National Insurance Companies.

**Complete Coverage** Credit life, accident and health as well as automobile physical damage and automobile liability.

**Earnings** With our experience to help you, we can assure highest commissions.

**Experienced Personnel** Our officers and executives are specialists in both the insurance and instalment financing businesses and tailor-make plans to fit your particular operation.

For the full story on a "Pathway to Profits" for your department, write to J. Earl Thompson, Vice President, for a free copy.

**CENTRAL  
INSURANCE**

1805 Harney Street



**NATIONAL  
COMPANIES**

Omaha, Nebraska



"Now you just relax, Doctor. We'll have you feeling in great shape shortly!"



# THE NATIONAL CITY BANK OF NEW YORK

Head Office • 55 WALL STREET • New York

71 Branches in Greater New York

57 Branches Overseas



Statement of Condition as of June 30, 1954

## ASSETS

Cash, Gold and Due from Banks.....	\$1,385,694,206
United States Government Obligations.....	1,602,710,324
Obligations of Other Federal Agencies.....	40,332,173
State and Municipal Securities.....	575,223,849
Other Securities.....	78,411,528
Loans and Discounts.....	2,202,228,486
Real Estate Loans and Securities.....	230,682
Customers' Liability for Acceptances.....	27,838,032
Stock in Federal Reserve Bank.....	10,500,000
Ownership of International Banking Corporation.....	7,000,000
Bank Premises.....	30,768,737
Other Assets.....	5,706,940
<b>Total.....</b>	<b>\$5,966,644,957</b>

## LIABILITIES

Deposits.....	\$5,455,443,656
Liability on Acceptances and Bills...\$66,511,778	
Less: Own Acceptances in Portfolio.....	36,578,047
Due to Foreign Central Banks.....	11,349,000
(In Foreign Currencies)	
Items in Transit with Branches.....	346,350
Reserves for:	
Unearned Discount and Other Unearned Income.....	22,573,793
Interest, Taxes, Other Accrued Expenses, etc.	35,550,824
Dividend.....	3,750,000
Capital.....\$150,000,000	
(7,500,000 Shares—\$20 Par)	
Surplus.....	200,000,000
Undivided Profits.....	57,697,603
<b>Total.....</b>	<b>\$5,966,644,957</b>

Figures of Overseas Branches are as of June 25.

\$487,484,642 of United States Government Obligations and \$12,852,700 of other assets are pledged to secure Public and Trust Deposits and for other purposes required or permitted by law.

(Member Federal Deposit Insurance Corporation)

Affiliate of The National City Bank of New York for separate administration of trust functions

## CITY BANK FARMERS TRUST COMPANY

Head Office: 22 William Street, New York

Capital Funds \$32,439,461

## DIRECTORS

HOWARD C. SHEPERD  
Chairman of the Board

JAMES S. ROCKEFELLER  
President

RICHARD S. PERKINS  
Vice-Chairman of the Board

STANLEY C. ALLYN  
President, The National Cash Register Company

SOSTHENES BEHN  
Chairman, International Telephone and Telegraph Corporation

CURTIS E. CALDER  
Chairman of the Executive Committee, Electric Bond and Share Company

CLEVELAND E. DODGE  
Vice-President, Phelps Dodge Corporation

RALPH GWIN FOLLIS  
Chairman of the Board, Standard Oil Company of California

ROY H. GLOVER  
Vice-President and General Counsel, Anaconda Copper Mining Company

JOSEPH P. GRACE, JR.  
President, W. R. Grace & Co.

HARRY C. HAGERTY  
Financial Vice-President, Metropolitan Life Insurance Company

AMORY HOUGHTON  
Chairman of the Board, Corning Glass Works

NATHAN C. LENFESTEY  
Executive Vice-President and Cashier

KEITH S. McHUGH  
President, New York Telephone Company

ROGER MILLIKEN  
President, Deering, Milliken & Co., Incorporated

FREDERICK B. RENTSCHLER  
Chairman, United Aircraft Corporation

REGINALD B. TAYLOR  
Williamsville, New York

ROBERT WINTHROP  
Robert Winthrop & Co.

BOYKIN C. WRIGHT  
Shearman & Sterling & Wright

# Achievement in Washington

The following paragraphs are from an address by W. Randolph Burgess, Deputy to the Secretary of the Treasury, before The Graduate School of Banking, American Bankers Association, at Rutgers University in June.

A YEAR ago, it was only possible to tell you the aims and purposes of the Eisenhower Administration. Today, we can begin to speak of achievement.

A legislative program has been presented to the Congress, which was as thoroughly prepared as any program of legislation ever presented. This program is conservative in economic principles, liberal in human objectives.

MUCH of the program is well on its way through the Congress. Some of it is in controversy and needs the thoughtful attention of people like you.

In finance, we can report some success. The aims were simple: economy, lower taxes, honest money. These aims had to be pursued in an atmosphere of international tension, which required the maintenance and strengthening of the military power of this country and our allies. Nevertheless, progress has been made.

**Economy:** We have cut spending this fiscal year [1953-54] by \$7-billion from the Truman budget. Next fiscal year, we have budgeted for a reduction of another \$5-billion. The total decrease in spending is thus \$12-billion. This is about as fast as spending can be cut while still maintaining adequate defense and not giving the economy too severe a jolt. Contrary to some reports, there is no present plan for changing this budget program.

**Taxes:** Cuts in taxes, effective last January 1, totaled \$5-billion a year. The excise tax cut on April 1 was about \$1-billion. The tax reform bill now before Congress, if passed, will reduce taxes another \$1.4-billion. These cuts add up to \$7.4-billion, the largest dollar tax reduction ever made in a single year.

About two-thirds of these cuts go to individuals. The rest relieves business and encourages it to move ahead—to employ more people.

**Honest money:** For a year and a half, the price level has been relatively stable. Inflation was stopped; the ensuing readjustment was mild and gives evidence of leveling off.

THE Treasury and the Federal Reserve System have used their powers vigorously toward economic stability and growth. Cutting expenses and reducing taxes were for that purpose. The arrangement of types of Treasury financing has been adjusted to this end.

The Federal Reserve System has been freed to exercise its powers through the discount rate and open market operations and changes in reserve requirements to check the inflationary tendency in early 1953 and, when the turn came, to encourage the freer use of money and check recession. It has been a flexible policy.

In their efforts to encourage stability and growth, the Treasury and the Reserve System have been fol-

(CONTINUED ON PAGE 131)

## The FIFTH THIRD UNION TRUST CO.

CINCINNATI, OHIO

Statement as of June 30, 1954

### RESOURCES

Cash and Due from Banks.....	\$ 76,969,076.44
United States Bonds.....	107,019,229.73
State and Municipal Bonds.....	11,358,755.02
Other Bonds and Securities.....	5,658,934.36
Loans and Discounts.....	96,537,691.44
Banking Premises Owned.....	3,732,455.02
Other Real Estate.....	53,379.54
Customers' Liability under Acceptances.....	27,885.00
Income Accrued Receivable and Prepaid Expense.....	1,099,749.05
Other Resources .....	236,426.77
<b>TOTAL.....</b>	<b>\$302,693,582.37</b>

### LIABILITIES

Capital Stock (320,000 shares).....	\$ 8,000,000.00
Surplus .....	12,500,000.00
Undivided Profits .....	1,976,833.53
<b>TOTAL CAPITAL FUNDS.....</b>	<b>\$ 22,476,833.53</b>
Reserve for Dividends, Interest, Taxes, etc.....	3,321,629.63
Liability under Acceptances.....	27,885.00

### DEPOSITS:

*Commercial, Bank and Savings.....	266,650,692.69
U. S. Government.....	10,177,237.91
Other Liabilities .....	39,303.61
<b>TOTAL.....</b>	<b>\$302,693,582.37</b>

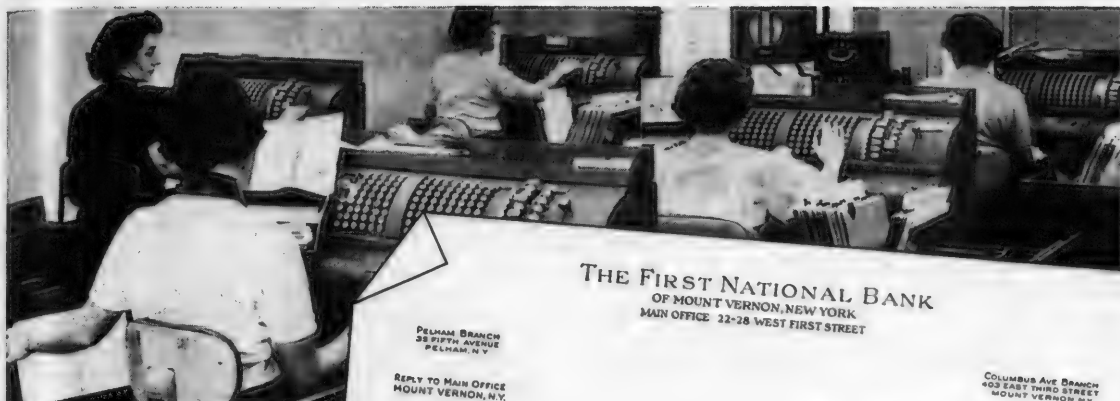
\*Includes \$4,215,634.83 of Trust Money on deposit in the Banking Department, which under the provisions of the Banking Law, of the State of Ohio, Section 1107.12, is a Preferred Claim against the Assets of the Bank.

### DIRECTORS

WALTER C. BECKJORD  
President, The Cincinnati Gas and Electric Co.  
POWEL CROSLLEY, JR.  
President, The Cincinnati Baseball Club Co.  
JOHN J. EMERY  
President, Emery Industries, Inc.  
JAMES MCB. GARVEY  
President, The American Laundry Machinery Co.  
JOSEPH S. GRAYDON  
Graydon, Head and Richey, Attorneys  
E. WEBSTER HARRISON  
Partner, Harrison & Co.  
JOHN B. HOLLISTER  
Taft, Stettinius & Hollister, Attorneys  
LOUIS L. KAUFMAN  
Sec. and Treas., Wm. J. Herbert Realty Co.  
RICHARD E. LEIDON  
President, The R. K. LeBlond Machine Tool Co.  
WILLIAM L. McGRATH  
President, The Williamson Heater Co.  
WILLIAM H. MOONEY

EDWARD W. NIPPERT  
Vice President and Trust Officer  
DANIEL J. O'CONNOR  
President, The Formica Company  
GEORGE A. RENTSCHLER  
Chairman of Board, Baldwin-Lima-Hamilton Corp.  
JOHN J. ROWE  
President  
CARL J. SCHMIDLAPP  
Vice Chairman Executive Committee, The Chase  
National Bank of the City of New York  
HAROLD T. SIMPSON  
President, Printing Machinery Corp.  
LEONARD S. SMITH, JR.  
President, The National Marking Machine Co.  
ETHAN B. STANLEY  
Ch. of Board, The Amer. Laundry Machinery Co.  
WILLIAM A. STARK  
Emeritus  
CLIFFORD R. WRIGHT  
President, The Cincinnati Equitable Insurance Co.

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION—MEMBER FEDERAL RESERVE SYSTEM



MR. V. F. McCLELLAN, PRESIDENT, tells in the letter at right, how the National Unit Plan has raised efficiency and cut costs at the First National.

## "Our National Unit Posting Plan

# returns 33 $\frac{1}{3}$ % annually on our machine investment!"

—The First National Bank  
of Mount Vernon, New York

Since the National "135" requires only one form for both ledger and statement, and eliminates the use of all carbon . . . savings in stationery costs also result wherever this machine is used. When this machine is used with the National Unit Posting Plan (instead of a Dual Posting Plan) saving of floor space also

results because fewer machines are required.

Your nearby National representative will be glad to show you how you can benefit from the use of the National "135" and the National Unit Posting Plan. Call him today, his number is listed in the yellow pages of your phone book, or write us at Dayton 9, Ohio.

**THE NATIONAL CASH REGISTER COMPANY, Dayton 9, Ohio**

949 OFFICES IN 94 COUNTRIES

August 1954

THE FIRST NATIONAL BANK  
OF MOUNT VERNON, NEW YORK  
MAIN OFFICE 12-28 WEST FIRST STREET

PELHAM BRANCH  
35 FIFTH AVENUE  
PELHAM, N.Y.

REPLY TO MAIN OFFICE  
MOUNT VERNON, N.Y.

COLUMBUS AVE BRANCH  
403 EAST THIRD STREET  
MOUNT VERNON, N.Y.

MOUNT VERNON, N.Y.  
December 1, 1953

The National Cash Register Company  
Dayton 9, Ohio

Gentlemen:

We wish to express our satisfaction with the new National Unit Plan for posting checking accounts. We had been using the Dual Plan on a 14 machine operation until February 1953. At that time we changed to the National Unit Plan, using ten National "135" posters in our bookkeeping department.

The new system has lived up to every claim made by our local National representative. After these many months experience, we show the following results with the National Unit Plan:

- 1 - Valuable personnel has been transferred to other departments, thereby saving us an employment problem involving four persons. This savings accrues to the new bookkeeping operation.
- 2 - The depreciation and maintenance costs of equipment have been reduced by approximately 35%.
- 3 - Training time for new bookkeepers has been greatly reduced due to the unusual simplicity of the National "135" posters.
- 4 - The intangible value of our neater records, both for our patrons and our internal unit control, has been a matter of real satisfaction to us. Customer good will has certainly been enhanced through their favorable reaction.
- 5 - Personnel turnover is negligible, with the use of the National 7-way proof under the Unit Plan.

From all cost records now available, we estimate that our new National Unit Plan will repay its cost every three years, thus giving us a 33-1/3% annual return on our equipment investment.

Yours truly,

*V. F. McClellan*

V. F. McClellan  
President

CJF

OVER SIXTY YEARS OF SERVICE

TRADE MARK REG. U. S. PAT. OFF.

**National**  
ACCOUNTING MACHINES  
ADDING MACHINES • CASH REGISTERS

*The strongest asset  
a bank can own  
in winning  
customers . . . .*



**The prestige and enormous  
popularity of TV's most honored  
syndicated show can be yours!**

VICTORY AT SEA is the perfect medium for a bank's selling message.

Unequalled for building prestige, it has won more awards than any other syndicated TV program.

Even more important: its tremendous audience appeal. In 23 out of 25 cities in which audiences have been measured, this thrilling series of 26 half-hour shows attracted more viewers than shows that were previously or subsequently in the same time period.

Because every episode is packed with drama and excitement for the entire family, your messages on VICTORY AT SEA can sell your every service.

Syndication by NBC Film Division brings you exclusive sponsorship of this network-quality program in your own local area. Because sponsors in many other areas share its cost, your expense is a small fraction of the total rate. Thus, your cost per thousand viewers is amazingly low.

It will reward you to study the successes other banks have enjoyed with VICTORY AT SEA. For example, the First National of St. Louis reports, "very favorable response . . . excellent choice." Writes First Federal of St. Petersburg, Florida, "Highly pleased."

**OTHER TOP-RATED NBC FILM DIVISION SHOWS  
TO BUILD BUSINESS FOR YOU!**

*Adventures of THE FALCON* starring Charles McGraw in 39 exciting half-hour mysteries.

**BADGE 714** starring Jack Webb in 48 thrilling half-hour programs.

**PARAGON PLAYHOUSE** with host Walter Abel, starring Douglas Fairbanks, Jr. 39 half-hour dramas of all types.

**HOPALONG CASSIDY** starring William Boyd in 52 half-hour and 54 one-hour western adventures.

*For more information and availabilities . . . call, write or wire*

**NBC FILM DIVISION**

**SERVING ALL SPONSORS . . . SERVING ALL STATIONS**

30 Rockefeller Plaza, New York 20, N. Y. • Merchandise Mart, Chicago, Ill. • Sunset & Vine Sts., Hollywood, Calif.  
In Canada: RCA Victor, 225 Mutual St., Toronto; 1551 Bishop St., Montreal



(CONTINUED FROM PAGE 128)

lowing precisely the principles laid down in 1950 by the Douglas Subcommittee of the Joint Committee on the Economic Report, as follows:

We recommend not only that appropriate, vigorous, and coordinated monetary, credit, and fiscal policies be employed to promote the purposes of the Employment Act, but also that such policies constitute the Government's primary and principal method of promoting those purposes.

It should be noted also that the Patman subcommittee of the same general committee endorsed in 1952 the foregoing statement by the Douglas subcommittee.

THE great, outstanding purpose of the program of this Administration is more freedom and the removal of handicaps to freedom; freedom for the people of this country to make long-term, dynamic progress; freedom to make more and better jobs and to produce higher standards of living.

Aside from war, what are the economic enemies of human progress? One such enemy is too much government—too many controls, too high taxes, and too much government spending. It is the people of the country who make prosperity—with their effort, their initiative, and their genius. This Government's program for economy, lower taxes, reducing controls, and freer markets is a program to release more of the energies of the American people to work for their own welfare.

Another great enemy of human welfare has been inflation or deflation. Inflation robs the saver for the benefit of the speculator and too often paves the way for deflation. This country has had bitter experiences with both inflation and deflation.

EXPERIENCE both here and abroad has demonstrated some of the principles of avoiding inflation and deflation and curbing their destructive power over human welfare. A major cause of these movements has been unwise Government policies. A major cure is found in sound fiscal and monetary policies. This is our objective: to avoid the excesses of inflation and deflation and other handicaps to the prosperity and economic growth of the country.

# Guaranty Trust Company of New York

140 BROADWAY  
FIFTH AVE. AT 44th ST. MADISON AVE. AT 60th ST. LONDON † PARIS  
40 ROCKEFELLER PLAZA BRUSSELS

## Condensed Statement of Condition, June 30, 1954

### RESOURCES

Cash on Hand, in Federal Reserve Bank, and Due from Banks and Bankers . . . . .	\$ 628,929,977.97
U. S. Government Obligations . . . . .	985,818,549.66
Loans and Bills Purchased . . . . .	1,208,416,901.42
Public Securities . . . . .	\$101,676,601.18
Stock of Federal Reserve Bank . . . . .	9,000,000.00
Other Securities and Obligations . . . . .	49,225,429.57
Credits Granted on Acceptances . . . . .	11,729,302.90
Accrued Interest and Accounts Receivable . . . . .	15,422,349.49
Real Estate Bonds and Mortgages . . . . .	1,101,536.25
Bank Premises . . . . .	8,181,809.89
Total Resources . . . . .	\$3,019,502,458.33

### LIABILITIES

Capital (5,000,000 shares - \$20 par) . . . . .	\$100,000,000.00
Surplus Fund . . . . .	200,000,000.00
Undivided Profits . . . . .	99,768,417.73
Total Capital Funds . . . . .	\$ 399,768,417.73
Deposits . . . . .	2,559,449,965.33
Foreign Funds Borrowed . . . . .	16,987,500.00
Acceptances . . . . .	\$ 24,552,941.18
Less: Own Acceptances Held for Investment . . . . .	12,791,780.02
	\$ 11,761,161.16
Dividend Payable July 15, 1954 . . . . .	3,750,000.00
Items in Transit with Foreign Branches . . . . .	569,986.85
Reserve for Expenses and Taxes . . . . .	20,044,169.28
Other Liabilities . . . . .	7,171,257.98
Total Liabilities . . . . .	\$3,019,502,458.33

Securities carried at \$236,936,472.13 in the above statement are pledged to qualify for fiduciary powers, to secure public moneys as required by law, and for other purposes.

J. LUTHER CLEVELAND <i>Chairman of the Board</i>	WILLIAM L. KLEITZ <i>President</i>	THOMAS P. JERMAN <i>Vice-President</i>	ALFRED R. THOMAS <i>Vice-President</i>
---	---------------------------------------	---	---

### DIRECTORS

GEORGE G. ALLEN <i>Chairman of the Board, Duke Power Company</i>	CORNELIUS F. KELLEY <i>Chairman of the Board, Anaconda Copper Mining Company</i>
J. LUTHER CLEVELAND <i>Chairman of the Board</i>	WILLIAM L. KLEITZ <i>President</i>
W. PALEN CONWAY <i>President, The Presbyterian Hospital in the City of New York</i>	CHARLES S. MUNSON <i>Chairman of the Board, Air Reduction Company, Inc.</i>
CHARLES P. COOPER <i>Chairman of the Board, Crane &amp; Co., Inc., Dalton, Mass.</i>	WILLIAM C. POTTER <i>Chairman of the Board, of Roosevelt &amp; Son</i>
WINTHROP M. CRANE, JR. <i>Chairman of the Board, The Columbia Gas System, Inc.</i>	CARROL M. SHANKS <i>President, The Prudential Insurance Company of America</i>
STUART M. CROCKER <i>Chairman of the Board, The Columbia Gas System, Inc.</i>	EUGENE W. STETSON <i>Chairman of the Board, Committee, Illinois Central Railroad Company</i>
JOHN W. DAVIS <i>of Davis Polk Wardwell Sunderland &amp; Kienel</i>	KENNETH C. TOWE <i>President, American Cyanamid Company</i>
CHARLES E. DUNLAP <i>President, The Berwind-White Coal Mining Company</i>	THOMAS J. WATSON <i>Chairman of the Board, International Business Machines Corporation</i>
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Member Federal Deposit Insurance Corporation



*"Letters  
look better  
on*

**WESTON BOND"**

Challenge your printer to improve the quality and impressiveness of your letterheads at no extra cost. He's sure to recommend new Weston Bond, a rag content paper made better by Weston. Write for sample book. Address Dept. BA.

**BYRON WESTON COMPANY, DALTON, MASSACHUSETTS**  
*Makers of Papers for Business Records since 1863*



When time means money,  
**ENGINEERED  
CASH FLOW\***

can help you make  
more efficient use of  
working capital

\* A specifically designed plan to give you faster access to funds, and to speed their transfer where you need them. Write for details.

**THE NATIONAL CITY BANK**  
OF CLEVELAND **1845** 623 EUCLID AVE.  
Member Federal Deposit Insurance Corporation



**FIRST NATIONAL  
BANK OF ARIZONA**  
HEAD OFFICE · PHOENIX, ARIZONA  
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

**BROADWAY PLAN**



**CITY NATIONAL BANK  
BLDG.**  
**HOUSTON, TEXAS**

## Numbers

(CONTINUED FROM PAGE 49)

forget the number or to print it incorrectly. (Even if an error were made, it would be detected as soon as the first check came into the bank.)

Since pay-by-check accounts are all prenumbered, it is not possible for a customer to obtain a check-book with no identifying number.

### Method of Sorting — Primary

Each of the 20 proof machines in our distribution department has nine compartments assigned to commercial checks on the incoming clearings and counter work rerun sorts. Commercial checks are sorted to these compartments by number, in groups of 6,000—1 through 5,999, 6,000 through 11,999, etc.—without reference to names or signatures. Pay-by-checks, readily identified by their distinctive pink color, are all sorted to one compartment.

This rapid-fire numeric sorting, which applies not only to checks but to all of our accounting, is largely responsible for the fact that our 20-machine distribution department processes an average of 128,000 items a day, in two shifts.

### Sorting Department

Commercial checks are sent to the sorting department in number "breaks" of 6,000, as mentioned above. There they are sorted as follows:

1. First by 1,000's, to bins. At the same time, large accounts are sorted out for listings.
2. Each 1,000 group is then sorted by 100's, to bins.
3. The 100 groups are sorted by 10's, on machines.
4. The 10 groups are fine-sorted by account number.

Pay-by-checks are sorted in a similar manner, using bins only. All of this sorting is done *by number only*, without any reference to signatures; therefore it is far faster and more accurate than an alphabetic sort could possibly be. We are able to sort an average of 30,000 commercial checks and 22,000 pay-by-checks a day *right down to the individual account* in less than half the time it would take to get merely a "fine group" sort under an alphabetic system.

(CONTINUED ON PAGE 134)

Here's **ANOTHER** way

## BURROUGHS STREAMLINED CONTROL PLAN

**Speeds the work  
of your commercial  
loan department**



### **Simplified Control**

- 1. Mechanical endorsement, control and proof of all note transactions—plus a record for the borrower.**
- 2. Faster teller balancing with automatic daily totals of new loans, loan payments and interest.**
- 3. Continuous flow of work to the proof department.**
- 4. Elimination of pen-and-ink operations and many auxiliary records.**
- 5. Proved totals by note class for the General Ledger.**
- 6. A complete Liability Ledger prepared more quickly and easily.**
- 7. Improved delinquency control.**
- 8. Greater protection through improved audit control.**

In the Burroughs exclusive Streamlined Control plan all note forms are of a **standard size, color-coded** to identify each type. This uniformity permits alphabetical filing—all of each customer's notes together—yet, you can balance each loan class to the general ledger by simply listing the notes by color.

This is just one advantage of the new, completely mechanized Streamlined Control that enforces accuracy and simplifies every function of your commercial loan department. Every loan transaction—plus the many others that are handled by the loan teller—can be organized into a smooth flow of work. A complete record of every note department transaction is ma-

chine posted to the note records and the daily journal at the time it takes place . . . balancing at the end of the day becomes just a count of cash.

This is another modernized banking system made possible by versatile **BURROUGHS SENSIMATIC ACCOUNTING MACHINES.**

The full story of how this plan overcomes loan department problems is offered in the portfolio "Streamlined Control for the Commercial Loan Department." For complete details, call your nearest Burroughs branch—listed in the yellow pages of your telephone directory. Burroughs Corporation, Detroit 32, Michigan.

WHEREVER THERE'S BUSINESS THERE'S



(CONTINUED FROM PAGE 132)

Since no reference to signatures is necessary, any girl just out of high school can do a rapid and efficient job. Personnel turnover is high in the Detroit area—about 40% a year in our bank—but the numeric coding system largely eliminates the training worries that normally accompany this problem.

An average of 5,000 commercial and 4,000 pay-by-check deposits are processed daily and are sorted *by number* (see illustration of deposit slip), just as checks are sorted.

How many items come in without a number, making it necessary to refer to a cross-index file? The answer is: less than one in a thousand. Looking up unnumbered items is an absolutely negligible phase of the sorting operation.

#### Bookkeeping Department

The bookkeeping department receives its work completely sorted by individual account. Thus the relatively expensive time of bookkeepers is not used to do sorting work.

Ledgers are filed numerically and accounts are, of course, selected by

number and not by *name*. This not only speeds up posting but makes it a great deal more accurate as well. Anyone can read numbers accurately; signatures are another matter.

The usual difficulty of having "A. J. Smith" items posted to the "I. J. Smith" account adjacent to it, is not present under the numeric system.

The bookkeeping department checks the signatures on all large amounts (over \$500). This does not mean that they refer to a signature card; most of the signatures on commercial accounts are either machine-printed or well known to the bookkeeper; in addition there are usually several checks for the same account, all bearing the same signature. The number of items that is actually checked with signature cards is comparatively small.

Checks for smaller amounts are *not checked* for signature. This may seem to be a rather shocking statement, but our experience has been that such checking is a waste of time.

#### How We Changed Over

The change-over from the alphabetical to the numeric system on commercial accounts was accomplished with less strain than might be imagined. We just went right through the ledgers, numbering one account after the other—1, 2, 3, 4, and so on.

Then, as customers requested new checks, we gave them checks that were pre-numbered. We also requested customers who were having their own checks made to include their number from that time on.

(CONTINUED ON PAGE 136)

## He's Protected — Naturally



Not much can bother the tough old Rhino! Your assured can now enjoy that same feeling of security with the all-in-one protection of our new Comprehensive Dwelling Policy. Its principal features are fire — with full extended coverages — theft and comprehensive personal liability. And all at a saving in cost. Information on request.



### THE London & Lancashire GROUP

THE LONDON & LANCASHIRE INSURANCE COMPANY, LTD. • ORIENT INSURANCE COMPANY • LAW UNION & ROCK INSURANCE COMPANY, LTD. • SAFEGUARD INSURANCE COMPANY OF NEW YORK • STANDARD MARINE INSURANCE COMPANY, LTD. (Fire Department) • LONDON & LANCASHIRE INDEMNITY COMPANY OF AMERICA

## ....."FREE" Business.....

Consumer Credit Business, secured without loan acquisition costs, such as Renewals, Repeats and through Recommendations, is wholly dependent upon good customer relations.

Because of this fact our great Banking and Financing Companies have found that it pays in customers good will, as well as dollars, to use Allison's Coupon Books on Time Payment Accounts. Here's why:

- The speed they provide in serving customers.
- Convenience for customers when forwarding mail payments.
- Their effectiveness in advertising to customers.

If you are seeking a means of reducing your costs of loan acquisition through the medium of "Free" Business, don't overlook learning how this proven method will help concentrate your customer's business in your bank. Write today for full information and an assortment of samples. No cost. No obligation.

**ALLISON COUPON COMPANY, INC.**  
INDIANAPOLIS 6, INDIANA



"File this letter. Then come back tomorrow and if you can find it, the job is yours."





# THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

STATEMENT OF CONDITION, JUNE 30, 1954

## RESOURCES

Cash and Due from Banks . . . . .	\$1,372,624,418.89
U. S. Government Obligations . . . . .	1,267,914,789.71
State, Municipal and Other Securities . . . . .	579,420,233.30
Mortgages . . . . .	68,363,286.85
Loans . . . . .	2,282,637,187.22
Accrued Interest Receivable . . . . .	14,833,453.13
Customers' Acceptance Liability . . . . .	50,757,207.64
Banking Houses . . . . .	32,103,593.51
Other Assets . . . . .	10,072,341.58
	<u>\$5,678,726,511.83</u>

## LIABILITIES

Deposits . . . . .	\$5,174,415,072.21
Foreign Funds Borrowed . . . . .	9,180,187.00
Reserves—Taxes and Expenses. . . . .	28,612,680.61
Other Liabilities . . . . .	24,527,167.51
Acceptances Outstanding . . . . .	57,463,031.83
Less: In Portfolio . . . . .	5,771,018.05
Capital Funds:	
Capital Stock. . . . .	\$111,000,000.00
(7,400,000 Shares—\$15 Par)	
Surplus . . . . .	219,000,000.00
Undivided Profits . . . . .	60,299,390.72
	<u>390,299,390.72</u>
	<u>\$5,678,726,511.83</u>

United States Government and other securities carried at \$487,691,260.00 were pledged to secure public and trust deposits and for other purposes as required or permitted by law.

Member Federal Deposit Insurance Corporation

(CONTINUED FROM PAGE 134)

At first—perhaps for a period of six months—we *paid no attention at all* to check numbers. In other words, we remained on an alphabetic system until the great bulk of our customers were using numbered checks. In this way the change-over was completed smoothly and with a minimum of difficulty.

When we first started to change over, we had about 10,600 accounts. The first 11,000 numbers were reserved for these accounts; new accounts were assigned numbers

11—001, 11—002, etc. After the change-over had been completed, we assigned the remaining numbers between 10,600 and 11,000 to new accounts.

### Savings Accounts

So far we have discussed numerics only with respect to checking accounts. Bank of the Commonwealth uses this method of filing for *all* accounting, however, as mentioned at the beginning of this article.

Let us take a look at one other application—savings. We have more than 155,000 savings accounts cen-

tralized at head office. There are 300 ledgers. Postings average about 75,000 a month. Yet the entire job is done on five bookkeeping machines, one of which is used only part of the time. There are only 12 people in the entire department, including clerks assigned to handle phone calls regarding withdrawals, which come in on direct lines from 23 branches.

This centralized operation, at such a relatively low cost, would not be possible without numerics.

### Widespread Use of Numerics

If the Federal Government had to maintain Social Security files on a strictly alphabetic basis, the task would be frightening to contemplate. Imagine, too, the situation that would exist if every man in the armed forces were identified only by name.

Insurance companies could scarcely operate at today's pace were they confined to an alphabetic method. Countless other examples could be given, all to the point that the numeric coding system is very much superior to a "name and address" method of customer identification—in banks as well as in the government, commerce, and industry. The fact of the matter is that banks are ideally suited to the adoption of numerics; our problems are "tailor made" for just such a system.

There is one automobile to every three persons, and the three persons are always at the street intersections.

*Prices now are being determined by the economic law of oversupply and underdemand.*

A man never knows how careful he can be until he puts on white pants and shoes.

*Our experience is that presents make the heart grow fonder.*

When you go back to your old home town, you find half the people don't remember you and the other half don't know you've been away.

*The big question now is when will the people of Russia discover the relationship between the liberty bell and the dinner bell.*

# THE FORT WORTH NATIONAL BANK

FORT WORTH, TEXAS

★

STATEMENT OF CONDITION AT CLOSE OF BUSINESS  
JUNE 30, 1954

### RESOURCES

CASH AND DUE FROM BANKS .....	\$ 76,457,128.70
UNITED STATES GOVERNMENT SECURITIES .....	54,707,248.94
OBLIGATIONS OF STATES AND POLITICAL SUBDIVISIONS .....	7,140,233.44
OTHER BONDS, NOTES AND DEBENTURES .....	528,785.35
STOCK FEDERAL RESERVE BANK .....	420,000.00
LOANS AND DISCOUNTS .....	\$ 97,590,777.52
COMMODITY CREDIT CORPORATION .....	6,647,961.51
INCOME EARNED—UNCOLLECTED .....	597,715.47
BANKING HOUSE AND GARAGE PROPERTY .....	3,912,000.00
FURNITURE AND FIXTURES .....	1.00
OTHER REAL ESTATE .....	1.00
CUSTOMERS' LIABILITY—LETTERS OF CREDIT .....	37,750.00
OTHER RESOURCES .....	74,688.92
TOTAL .....	\$248,114,291.85

★

### LIABILITIES

CAPITAL ACCOUNT:	
COMMON STOCK .....	\$ 7,000,000.00
SURPLUS .....	7,000,000.00
UNDIVIDED PROFITS .....	1,025,206.80
RESERVE FOR CONTINGENCIES .....	1,778,005.63
RESERVE—AMORTIZATION OF BOND PREMIUMS .....	771,779.16
RESERVE—TAXES, INTEREST, EXPENSE, ETC. ....	1,048,347.67
LETTERS OF CREDIT ISSUED .....	37,750.00
INCOME COLLECTED—UNEARNED .....	1,070,230.47
DEPOSITS:	
INDIVIDUAL .....	\$164,657,067.17
BANK .....	45,604,671.23
U. S. GOVERNMENT .....	8,064,181.77
OTHER PUBLIC FUNDS .....	10,057,051.95
TOTAL .....	\$248,114,291.85

U. S. Government and other securities carried at \$32,758,865.18 in the above statement are deposited to secure public funds and for other purposes required or permitted by law.

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

# NATIONAL BANK OF DETROIT

## COMPLETE BANKING AND TRUST SERVICE

### STATEMENT OF CONDITION JUNE 30, 1954

#### RESOURCES

Cash on Hand and Due from Other Banks . . . . .		\$ 385,090,959.46
United States Government Securities . . . . .		819,002,498.55
Other Securities . . . . .		119,784,013.92
Loans:		
Loans and Discounts . . . . .	\$ 347,721,483.66	
Real Estate Mortgages . . . . .	82,705,575.21	430,427,058.87
Accrued Income and Other Resources . . . . .		8,621,314.29
Branch Buildings and Leasehold Improvements . . . . .		5,793,331.42
Customers' Liability on Acceptances and Letters of Credit . . . . .		1,562,861.87
		<u>\$1,770,282,038.38</u>

#### LIABILITIES

Deposits:		
Commercial, Bank and Savings . . . . .	\$1,496,882,390.89	
United States Government . . . . .	115,718,066.36	
Other Public Funds . . . . .	44,503,255.50	\$1,657,103,712.75
Accrued Expenses and Other Liabilities . . . . .		15,391,415.55
Dividend Payable August 2, 1954 . . . . .		1,125,000.00
Dividend Payable November 1, 1954 . . . . .		1,125,000.00
Acceptances and Letters of Credit . . . . .		1,562,861.87
Capital Funds:		
Common Stock (\$10.00 par value) . . . . .	\$ 22,500,000.00	
Surplus . . . . .	57,500,000.00	
Undivided Profits . . . . .	13,974,048.21	93,974,048.21
		<u>\$1,770,282,038.38</u>

*United States Government Securities carried at \$184,096,106.13 in the foregoing statement are pledged to secure public deposits, including deposits of \$11,661,189.09 of the Treasurer—State of Michigan, and for other purposes required by law.*

#### BOARD OF DIRECTORS

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W. DEAN ROBINSON  
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DONALD F. VALLEY  
JAMES B. WEBBER, JR.  
R. R. WILLIAMS  
BEN E. YOUNG

#### 44 OFFICES IN METROPOLITAN DETROIT

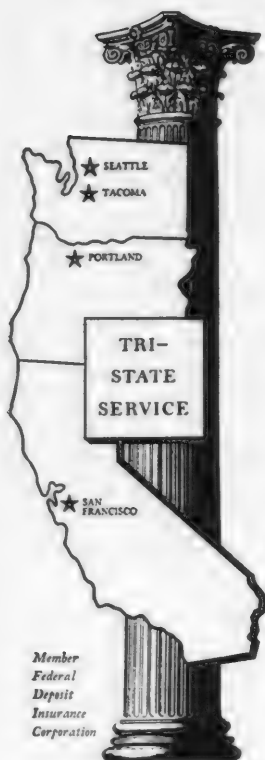
Garden City • Harper Woods • Inkster • Livonia • Plymouth • Wayne

MAIN OFFICE—WOODWARD AT CADILLAC SQUARE—DETROIT 32, MICHIGAN

*Member Federal Deposit Insurance Corporation*

## Our 90<sup>th</sup> year

—another step toward tomorrow



JULY 5, 1864, THIS BANK OPENED ITS doors, proposing to serve "this City, State, neighboring States and Territories, Mexico, the Atlantic Cities, Europe, China and the East Indies." . . . For ninety years that service has been rendered. From the beginning, this Bank has shared substantially in financing the fast-growing West and in developing world markets for the products of Western business.

Upon that experience is based our present unique Tri-State banking organization and our policy of meeting an ever changing economy with thoughtful service to all customers.

Pioneer days *were* intensive. Tomorrow is a *bolder* challenge. We are preparing to meet it confidently through expanding resources and facilities.

## THE BANK OF CALIFORNIA

NATIONAL ASSOCIATION

Incorporated in 1864

SAN FRANCISCO • PORTLAND • SEATTLE • TACOMA

## New Books

**DETERMINING THE BUSINESS OUTLOOK.** Edited by *Herbert V. Prochnow*. Harper, New York. 434 pp. \$6.50. In this volume, prepared by a vice-president of The First National Bank of Chicago, more than 20 experts from business, government, and finance provide business executives with "the most modern and authoritative guides to accurate business forecasting." All the principal business indicators are discussed by competent authorities: money cycle, securities, interest rates, savings, gross national product and national income, durable and nondurable goods, construction, agriculture, Government income and expenditure.

THE FIRST BOSTON CORPORATION recently issued the 16th edition of its "Securities of the United States Government," 133 pages of text, charts, and tables that include a new section describing operations of the Government securities market. Several sections of the booklet have been expanded. There are now a description of the marketable and nonmarketable securities comprising the public debt of the U. S.; an analysis of the securities of Government corporations and credit agencies; discussions of the Federal budget and debt, factors affecting commercial banks, taxation of income from securities, and prices and yields of Treasury securities. There is also a section on the World Bank.

**PRINCIPLES OF REAL ESTATE.** By *Arthur M. Weimer* and *Homer Hoyt*. Ronald Press, New York. 608 pp. \$6.50. The third edition of a college text, now revised to include both rural and urban real estate.

**UNITED STATES GOVERNMENT SECURITIES AND INTEREST RATES.** Bankers Trust Company, New York. 22 pp. Published by the bank's bond department.

**COST ACCOUNTING FOR SMALL MANUFACTURERS.** Small Business Administration, Washington, D. C. 87 pp. 35 cents. Booklet No. 9 in the Small Business Management Series.



### ...before it TALKS

...is the way our doctors put it—"Our chances of curing cancer are so much better when we have an opportunity to detect it *before it talks*."

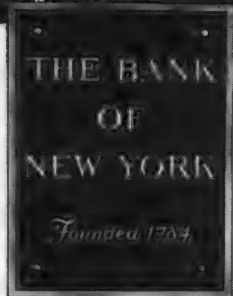
That's why we urge you to have periodic health check-ups that *always* include a thorough examination of the skin, mouth, lungs and rectum and, in women, the breasts and generative tract. Very often doctors can detect cancer in these areas long before the patient has noticed any symptoms.

For more life-saving facts phone the American Cancer Society office nearest you, or write to "Cancer"—in care of your local Post Office.

American Cancer Society

## BANK SIGNS

*in dignified bronze*



Picture the name of your bank in enduring bronze and aluminum . . . the names of your personnel in handsome desk plates of the same dignified metal.

Let us show you how we can give you the very finest signs, desk plates and bulletin boards to suit your every need . . . at most economical prices.

Send for free illustrated catalog



### DESK NAMEPLATES

2"x10" one line of copy \$7.50  
2½"x10" two lines of copy \$9.00  
on bronze easel—other styles available

"Bronze Tablet Headquarters"

UNITED STATES BRONZE SIGN CO., Inc.

570 Broadway Dept. B New York 12, N. Y.



# The Banker's Dilemma

FORECLOSE

CARRY THE DEBT

*He's d---d if he does, and d---d if he doesn't  
...the one way out is Mortgage Insurance*

Poor banker! If he forecloses on a mortgage, he's a "heartless soul," driving the widow from her home. If he doesn't, then he's a "sentimental fool," risking the bank's money on a hopeless case.

Lucky the banker who has found the way out: MORTGAGE LIFE INSURANCE. He just stamps the mortgage "Paid in Full"...the insurance pays off the entire loan.

And what a host of good will he builds with his customers! The borrower knows that a small amount added to his monthly mortgage payment makes certain that, should he die, his wife will inherit a *deed* instead of a *debt*.

You can see why so many bankers look upon Mortgage Insurance as the greatest thing that's come along—both from the cold financial view, and for making the bank more human. Some go further: They offer Health and Accident Insurance, too, so that even a borrower's disability cannot interrupt his mortgage payment.

Does *your* bank offer these mortgage insurance plans? There is every good reason it should. Every reason to choose *your* plan now—from FEDERAL, a leader in this field for almost fifty years.

We'll be glad to send you a complete portfolio, description of plans, sample forms, customer promotions. Write for *Mortgage Plan Portfolio*.



Every good reason  
to choose

**FEDERAL**

## Mortgage Insurance Plans

**Proven customer appeal.** Nine out of ten borrowers having Federal Mortgage Insurance request similar protection on other loans.

**Planned by bankers themselves.** Federal Insurance meets the banker's exact needs—as stated by them. Planned by men with a long background in the mortgage field.

**Custom designed for you.** The plans Federal recommends to you are based on a careful study of your operations.

**Completely flexible.** Complete life protection with or without accident and health benefits. Also credit insurance for short-term loans.

**Claims paid promptly.** Checks usually air mailed within 24 hours of receipt of claim.

**Simplified forms.** Easy for your customers, easy for you. They add little or no detail to your present operations.

**All promotional tools.** Rate charts, plaques, posters, newspaper ads—Federal supplies everything you need.

**Highest rating.** Best's and Dunne's—leading policy-owners' reporting services—give Federal their unqualified recommendation.

## LIFE PROTECTION DISABILITY PROTECTION

JOHN H. CARTON  
President

HAROLD L. BUCK  
Vice President and Manager,  
Credit Insurance Division

**FEDERAL**

SINCE 1906

**LIFE AND CASUALTY COMPANY**

Wolverine-Federal Tower • Battle Creek, Michigan

# IRVING TRUST COMPANY

## NEW YORK

### STATEMENT OF CONDITION, JUNE 30, 1954

#### ASSETS

Cash and Due from Banks . . . . .	\$ 367,987,654
U. S. Government Securities . . . . .	397,464,310
U. S. Government Insured	
F.H.A. Mortgages . . . . .	26,858,496
Other Securities . . . . .	49,580,170
Stock in Federal Reserve Bank . . . . .	3,150,000
Loans and Discounts . . . . .	607,800,691
First Mortgages on Real Estate . . . . .	1,357,354
Banking Houses . . . . .	17,494,492
Customers' Liability	
for Acceptances Outstanding . . . . .	11,375,254
Other Assets . . . . .	4,434,361
	<u>\$1,487,502,782</u>

#### LIABILITIES

Capital Stock (5,000,000 shares—\$10 par) \$ . . . . .	50,000,000
Surplus . . . . .	55,000,000
Undivided Profits . . . . .	18,367,400
Total Capital Accounts . . . . .	123,367,400
Deposits . . . . .	1,336,144,991
Reserve for Taxes and	
Other Expenses . . . . .	9,223,634
Dividend Payable July 1, 1954 . . . . .	1,500,000
Acceptances: Less Amount	
in Portfolio . . . . .	12,942,387
Other Liabilities . . . . .	4,324,370
	<u>\$1,487,502,782</u>

United States Government Securities are stated at amortized cost.  
Of these, \$78,811,322 are pledged to secure deposits of public  
monies and for other purposes required by law.

#### DIRECTORS

**WILLIAM N. ENSTROM**  
*Chairman of the Board*

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**J. WHITNEY PETERSON**  
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and Chief Executive Officer,  
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**FRANCIS L. WHITMARSH**  
*President,  
Francis H. Leggett & Company*

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

## Flannelboard

(CONTINUED FROM PAGE 34)

more would be too much for him to handle. The chart then explains the various types of loans that the bank makes.

**CHART FIVE**—entitled *You Are the Bank*—is a creation of a sample bank, showing the sources from which a bank derives its funds and how it puts these funds to work. It shows graphically the total income derived from these funds and how this income is allocated to pay the overhead of the bank. The chart then lists various regulations and shows what people are entrusted with the safety of the bank's funds.

**CHART SIX**—the concluding chart—depicts one's financial problems as a large lock, and the banker as the key to this lock. It points out that, if you have financial problems, the logical person to contact is your banker.

The presentation has now been shown to the Public Relations Council of the American Bankers Association, the A.B.A. State Association Section, and a summer school session of high school and college economics teachers, who, by the way, think this is one of the finest mediums of teaching banking they have seen. In the five high schools which have had this presentation, there has been disclosed, by actual survey, an average retention of the story of 75%.

I feel that the flannelboard is a medium that will open many doors for future stories of the importance of banking. If the advance orders are an indication, then by this time next year it should be a nationwide project sparked by the several state bankers associations.

In Massachusetts, each clearing house group will have at least one set of flannelboard material to use for speaking assignments in its geographical area. The individual banks that have purchased the complete set are already lining up schools, social groups, and forums to witness the banking story. In addition, printed copies of the script, complete with colored photos of the charts, are available at quantity prices with a place for the local bank's name to be imprinted on the cover.

This will be utilized to supplement the talk where necessary.



THE Association of Reserve City Bankers has elected Rufus Crosby Kemper (left) its new president and Frank W. Norris, shown with Mr. Kemper, its vice-president. Mr. Kemper is president, City National Bank & Trust Co., Kansas City, Mo. Mr. Norris is president, Barnett National Bank, Jacksonville, Fla.

## Government Bonds

(CONTINUED FROM PAGE 51)

The weekly offerings of \$1½-billion of Treasury bills continued to be taken at a little more or less than an 0.65% (per annum) basis. Of course, the rollover is practically automatic, as the large majority of the holders of maturing bills like to keep their bill holdings full up. But what a break for the money managers the popularity of bills with other than bank holders has been!

As of February 28 (and it is not very different now), of the \$19½-billion of outstanding bills, about \$13-billion were by "all others" and only about \$6-billion by the banks and the Federal Reserve. It is fortunate that there seems to be so much other-than-bank money available and looking for a safe, temporary haven.

### Treasury at Fiscal Yearend

For the fiscal year 1953-54 the cash budget of the Treasury was just about in balance. The administrative budget showed a deficit of about \$3.3-billion, which was in line with forecasts, but both income and expenditures were between \$2- and \$3-billion below estimates.

The balance in the general fund on June 30 was about \$6¾-billion, having been increased during the

month by the \$4½-billion excess of deposits over withdrawals.

The gross debt was \$271¼-billion, of which about \$270½-billion was subject to the debt limitation of \$275-billion.

### Cash Needs, July-December

As a result of the increasingly unfortunate effect of the Mills plan for corporate tax payments, Treasury income for the first six months of the fiscal year is drastically reduced, so much so that Treasury estimates indicate a need for possibly \$10-billion new cash to meet the deficit for that period.

Current opinion looks for a start in getting the money very soon. There will be a substantial deficit for the July-September quarter, and the Treasury does not like to have the general fund shrink below \$3½-billion. Somewhere between \$3- and \$5-billion seems to be needed fairly soon.

However, the amount to be offered at this time can hardly be more than \$3-billion unless Congress acts favorably on the Treasury request to raise the debt limit.

### New Offering Probably TACs

Whatever the amount, there is fairly general agreement that new tax anticipation certificates to mature March 15, 1955—or thereabouts—will be the choice of the Treasury. This expectation may have been one of the reasons for giving banks more reserves, as such an offering would attract very heavy bank subscriptions in order to get new tax and loan accounts.

### August and September Refunding

About \$7½-billion of 2½% certificates mature in August and September (\$2¾-billion in August and \$4.7-billion in September). A refunding offer for both is expected very shortly after the new cash offer has been taken. Guesses are that the new issue is pretty sure to be held to an early maturity.

### October to December

Another new cash offering is sure to be needed in the fourth quarter, while over \$16¼-billion of maturities will have to be refunded on December 15. At that time there might be some chance of putting out a new issue in the 5- to 10-year maturity range, but it is futile to try and make any guesses now.



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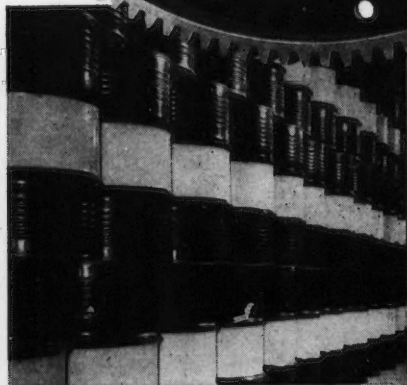
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# The OUTLOOK and Condition of Business

(CONTINUED FROM PAGE 33)

faced with this issue when their labor contracts expire.

These fields and a few others, such as certain textile activities, appear to be little recessions amid a far greater number of boomlets.

Expenditures for building this year are expected to be at a new high of about \$36-billion. Incomes, after taxes, are almost certain to approach again \$250-billion, and the stock market has reached the highest prices since 1929.

The automobile industry seems assured now of a 5,000,000-car year. It may be the industry's third best year—hardly to be called a recession period, except for the fact that competition is greater and that some companies fall by the wayside while others in the same line are flourishing. Since competition has always been part of the life-blood of American enterprise—a bit eliminated and forgotten during the war and postwar years—this state of affairs from an over-all economic viewpoint should be welcomed rather than deplored.

The country's retailers seem to be optimistic for the fall and holiday seasons. They expect a definite improvement in business. Prospects, to them, appear to be good that dollar volume will top the comparative 1953 period. It is realized, though, that with all business becoming increasingly competitive, sales gains are unlikely to develop unless they are stimulated by a strengthening of sales and promotional efforts.

On the foreign scene, it seems certain that private American bank participation in loans of the International Bank for Reconstruction and Development, with or without recourse, will become more and more available in the future. They have proved to be popular and successful both to the World Bank and the participants and they are expected to be used more and more.

United States-British solidarity has been reaffirmed, although the methods by which a common policy may be followed seem to differ. The Asian question still hangs in the air and has left a cloud of uncertainty over business here and abroad. One reaction has been the favoring of war stocks on the stock exchanges.

But foreign aid is declining and industrial production in Europe increased 9% over last year. The European Payments Union has been renewed for another year and there are good prospects that convertibility of currencies is approaching steadily. It will naturally be a slow and gradual process, but in the long run it should help foreign trade and the worldwide interchange of goods and services, barring outbreak of open hostilities. Unless the Russians make the first move, nothing is likely to happen, since "coexistence" between the East and the West now has been adopted as the official policy of Washington and London.

## They

Business confidence under trying circumstances is a compliment to those responsible for monetary and economic policy, but it has also a disturbing side.

Faith that They, meaning Washington, can tell the business tides what to do is beautiful but dangerous.

The better job They do, the more business seems inclined to look to Them for all the answers.

During the past year there has been more talk than even in the Thirties about using "all the powers of the Government" to stop the recession. There is an ever-greater tendency to feel that the magic of monetary policy is the way of salvation.

When the sales curve drops, instead of calling in the sales manager, many are inclined to write to the White House, the Treasury, their congressman or trade association, "Do something. Don't just sit there."

Through it all runs an obvious hope, more implied than expressed, that They will not let the boom down even if it takes another shot of inflation to keep it going.

## However

Among the economists who have called attention to the selective character of the stock market and declined to go along wholeheartedly with the optimists are Emerson P. Schmidt of the United States Chamber of Commerce, Edwin G. Nourse, former member of the Council of Economic Advisors, and Roger W. Babson.

Dr. Schmidt says he is not sure where we are headed and no one can be, because there are present both contractive and expansionary forces. New forces are hard to identify in advance, he says, and "Today more of the economic indicators are pointing down than are pointing up."

"The eight 'predictive' indicators of the National Bureau of Economic Research are evenly divided as to direction. The same is true of the eight 'coincident' indicators, and all but one of the lagging indicators are pointing down. Nevertheless, it is difficult to find any evidence that points to serious contractive forces. The balance of 1954 should be prosperous. The year as a whole, not quite as good as 1953, is likely to be our second best year in history in terms of total employment and general economic activity."

"The contractive forces are weakened, fortunately, by the highly favorable longer-range outlook."

Edwin G. Nourse, as recently as June 14, continues to adhere to his unconfident view of the business prospect, as expressed previously to *BANKING*. He sees five issues as crucial: the inventory problem, the consumer factor, construction, price trend, and the interplay of Government policy and private action.

Roger W. Babson in his recent column in the *Commercial and Financial Chronicle*, while generally optimistic about the outlook for the last half of 1954, foresees many cross currents. "The improvement over the first six months will be no one-way street." In his column he makes 25 specific segmentary forecasts, in which he distinguishes carefully between parts of the economy.

WILLIAM R. KUHN

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